Daily Report

Latin America

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Cuba

Cuba: Commentary on U.S. Property Compensation

PA2304033296 Havana Radio Havana Cuba in Spanish 0000 GMT 20 Apr 96

[Commentary by Barbara Betancourt]

[FBIS Translated Text] On the numerous occasions we have commented on the Helms-Burton law, while studying the third title of the law on the protection of property ownership by U.S. nationals, we have felt the need to highlight Washington's arbitrariness in giving it its blessing in order to damage Cuba. In this specific case, to discourage foreign investments in the island.

The objective of the previously mentioned title is to sow doubts with respect to the legitimacy of the nationalization process that took place in Cuba following the triumph of the revolution, by claiming that it intimidates foreign investors whom they accuse of trafficking with so-called U.S. properties in Cuba.

This accusation is aimed at those who have business interests set up in properties at one time owned by U.S. nationals, a precondition which this law unilaterally extended to individuals who at the time of the nationalization were Cuban citizens, and later became U.S. citizens.

Now that Washington's objective has been exposed, I now invite you to join me for a few minutes while I bring you up to date on the meticulous manner in which the Cuban Government has met all obligations contracted voluntarily and in good faith as relates to compensating foreign assets, with the exception of U.S. properties, nationalized by virtue of laws promulgated since 1959.

Before starting, I would like to call attention to the fact that diverse international documents recognize each sovereign state's right to nationalize, and that issues related to compensation depend on arrangements made by the country that nationalizes. For example, the UN General Assembly, has passed several resolutions on the matter. Thus, Cuban nationalization took place in full accordance to principles recognized by international law.

The first thing that must be said is that it was not a discriminatory process, and neither was it implemented as a reprisal prompted by the cancellation of the sugar quota, as foreign sources have claimed. Properties in hands of Cuban nationals and foreigners were equally nationalized. The difference lies in that in Cuba, the best lands, mines, major banks, communications, electricity, and sugar mills were all owned by U.S. nationals.

In the months following the victory of the revolution in 1959, the U.S. Government started to harass the country in an open opposition to the new process that was taking place in society. In light of that situation that combined continuous aggressions against Cuban economic targets with U.S. control over the country's main sectors, in addition to the need to consolidate the new economic, political, and social process, the nationalization of U.S. property began in 1960.

On 6 July 1959, Law 851 was passed allowing the president of the Republic and the first minister to jointly order nationalization measures by way of appropriations of all properties owned by U.S. individuals and firms.

The law also included compensation guidelines for all assets confiscated that would be carried out with bonds of the Republic which would be issued to that effect by the Cuban Government. A sinking fund would be created to repay the bonds on maturity date. This fund would be created and supplied with 25 percent of foreign currencies corresponding to the surplus of sugar purchases made each calendar year by the United States to Cuba over 3 million Spanish long tons, at a price no lower than $5.75 per pound of sugar. These bonds would be repayed in a period of no less than 30 years from the date the property was appropriated.

Not only does international law recognize the clear-cut procedures used by the Cuban authorities, but even the highest courts in the United States and in this respect, evidence lies in the U.S. Supreme Court's verdict in the well-known Sabatino case.

On 24 March 1964, in a eight to four decision in favor of Cuba, the Supreme Court issued a verdict that has become a doctrine by ruling that every sovereign state is obligated to respect the independence of each of the other sovereign states. In addition, the court also ruled that courts of one country should not judge decisions adopted by foreign governments in their own jurisdiction.

The Supreme Court ruling ends by indicating that despite the cost such an appropriation may represent to this country's public programs and to that of its states, it is still possible to arrive to the conclusion that national interests and progress are better served by ensuring that international law between nations prevails, and by maintaining the principle of sovereign right intact. Thus, in this case this right applies.

Nonetheless, on 6 February 1962, while U.S. courts continued to process numerous lawsuits related to the Cuban appropriation process, the U.S. Government announced an all-out economic blockade on Cuba. To a certain degree, this blockade had already been implemented and executed, as well as gradually increased by

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continually restricting, among other things, Cuban sugar exports to the United States.

It for this reason that it can truly be said that nonpayment of compensation of property expropriated from U.S. nationals in Cuba is also a repercussion of the blockade imposed by the United States since, by preventing all forms of sugar trade between both nations, U.S. citizens and firms were unable to receive the compensations planned by Cuban legislation.

In conclusion, I would just like to add the following: Cuba's response to current claims by the United States is clear: In Cuba there are no U.S. assets since they were all transferred to the patrimony of the Cuban people through a nationalization process in accordance to international law.

In this respect, foreign investors have no reason whatsoever to be apprehensive. Their investments are protected by constitutional guidelines.

Cuba: CTC Official Supports Unionization of Self-Employed

PA2304025796 Havana PRENSA LATINA in Spanish 1457 GMT 21 Apr 96

[FBIS Translated Text] Havana, 21 Apr (PL) — Pedro Ross Leal, secretary general of the Cuban Workers Federation (CTC), has said he supports the possible unionization of self-employed workers, who have recently joined the multicolored rainbow of economic opportunities offered on the island today.

In an exclusive interview with PRENSA LATINA, prior to the 17th Labor Congress, which will be in session between 27 and 30 April, Ross has said that with respect for "particular characteristics and specifics, we should promote the gradual organization of that force."

Ross Leal has said: In view of requests made by self-employed workers, we have reviewed the matter and are preparing to debate it at the congress, where we will decide the course to take in this regard.

According to the labor leader, "we must start living that experience if the idea is approved. Practice will tell us the road we must follow. There are no precedents in this regard in our country."

As for the topic of salaries, one of the most debated topics prior to the CTC meeting, Ross Leal has said the only way to earn additional income is by producing more with the same means and resources.

He has said Cuba is still going through a special period (the local term for the economic crisis) and, therefore, "we cannot talk about an overall wage increase." We can only increase workers' incomes by means of a regimen of incentives based on the performance of individuals or groups.

This is being applied at the Basic Cooperative Production Units (farming centers), in the areas of nickel, as well as in the iron, steel, and mechanical industries, among others, he added.

As for social security, another of the topics on the agenda for the congress, Ross Leal has said Cuban labor union leaders should contribute to the preservation of the current system, "which is just, open, and provides so many opportunities to workers when they cannot fare for themselves."

There are 1.25 million retirees and pensioners in Cuba. The country invests huge amounts of resources for these people and it is necessary to contribute to the social security funds to maintain that benefit, he has said.

Labor unions have examined this already, but it still needs to be implemented, Ross has said and insisted that both the CTC and the labor unions must make sure that social security protects those who really need it, because "no one should take advantage of the generosity of the socialist state."

During the congress, which nearly 1,000 invited foreign guests representing more than 70 labor unions from some 30 countries will attend, participants will also discuss labor reorganization and employment policy, the promotion of food production, and the role of labor unions in increasing economic efficiency.

Labor contracts, the treatment of women and youth who have joined the productive sector, the defense strategy of the revolutionary process, international solidarity, and the fight against the U.S. blockade have also been included on the meeting's agenda.

Cuba: Specialists View Sugar Industry Work Practices

PA2304000896 Havana Radio Rebelde Network in Spanish 1600 GMT 19 Apr 96

["Straight Talk" program with sugar specialists Diosdado Maso of Radio Rebelde, Juan Varela Perez of GRANMA, Jaime Porcel of Radio Reloj, and program host Osvaldo Rodriguez]

[FBIS Translated Text] [Rodriguez] This is Radio Rebelde's "Straight Talk" program. We will continue with the same topic. Has everyone restored good work practices in the sugar industry, or has it only been partially done? This is the topic we shall continue to debate today with sugar specialists Diosdado Maso of Radio Rebelde, Juan Varela Perez of the newspaper GRANMA, and Jaime Porcel of Radio Reloj.

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We said yesterday that the people from Sancti Spiritus had restored good work practices. We left pending at the end of the program whether everyone in Sancti Spiritus had done so. I suggest that we speak about this topic today but including the entire country. Is this the idea, Maso?

[Maso] Of course. I want to say something here in Sancti Spiritus, the province which has just completed its sugar plan and became number one in this 1995-1996 harvest; this achievement is exemplary, but, of course, as Varela was telling me before we went on the air, there are good examples, because those sugar mills that had difficult harvests in recent years have now improved greatly, as is the case with Trinidad's (Feneta) in this province.

[Rodriguez] I believe Jaime wanted to say something about (Feneta) as well.

[Maso] Of course. Jaime also wanted to say something about (Feneta), and he will do so. Osvaldo and listeners, I will tell you what it is all about and will give you one example. When a sugar mill's efficiency is measured, the amount of cane juice entering the scale [basculador] and the amount of sacked sugar coming out is what is taken into account. Specialists say the sacked sugar should be 91 if the cane juice indicator is 90. [figures not specified] Nevertheless, when one reviews the five sugar mills and even the various provinces, one notices that there are some that are below this primary juice indicator or index.

Primary juice is what cane juice is called when the sugarcane enters the scale. This shows that not everyone has taken up good working practices, which is what I wanted to tell you and the listeners during the previous program. I do not know whether Varela agrees with me.

[Varela] I agree with you. We previously had some small differences of opinion. I reiterate that work in Sancti Spiritus became consolidated once these problems were eliminated at sugar mills that had previously faced crises in the province, but I believe there is a meaningful and clear example of what efficiency is in the process or restoral of good harvest practices. An example is the Uruguay Agro-industrial Complex, the great Cuban colossus, which for me is the pride of Cuban sugar production, because it has demonstrated that a large operation can efficient. Uruguay recovers 88.6, nearly 89, more or less. [figures not specified] Nevertheless, there are identical sugar mills with the same characteristics that only recover 81. There is where one can see how much sugarcane is used in one sugar mill and how much in the other. I believe this is one way to measure. I believe Uruguay was one of the sugar mills that had bad work practices.

[Porcel] One of the practices that needs to be restored is the sugar recovery index [recobrado de azucar] so as to ensure good work practices in the industry. As Maso has said—and I prefer to talk about this point—there are still many sugar mills, most of them in certain provinces, where there is still a long way to go in sugar extraction and factory work. Yes, the idea is not just to think that we can begin celebrating victory and that we have accomplished everything. I believe an intelligent attitude by the Sugar Industry Ministry, workers, the union, and everyone who has anything to do with the sugar industry is to take into account that we have managed to eliminate bad workmanship [chapucerias], bad work practices, but there are still things pending about which we need to remain vigilant so we can rise to a level of excellence.

[Rodriguez] I was listening to what Jaime was saying at the end and was thinking about what Varela said yesterday; that is, Sancti Spiritus is really a great milling province, but previously one never saw such levels of sugar recovery and yield; to me, this seems to be a starting point, because if one takes a look at the province's total capability, one sees that it is still just over half its capacity—Varela will correct me if I am wrong—but has not really reached its limit. Is this so?

[Varela] We were talking to provincial delegate Aparicio Hernandez yesterday. He told us he was not satisfied with this yield. The main goal of this province is to recover sugarcane volumes so as to ensure that Sancti Spiritus once again soon becomes the province that produces nearly 500,000 metric tons of sugar. Nevertheless, I believe Sancti Spiritus' work is very, very efficient; this shows that the province is ready to produce much more sugar than the 500,000 metric tons it produced previously with the same amount of sugarcane or produce the same 500,000 metric tons with much less sugarcane.

[Porcel] I would like to cite some examples, because we are speaking nationwide and are saying that we all need to recover good work practices. There is one example that I want to give. The people of Villa Clara sometime feel that we have not always recognized their work, which is certainly not our intention. The people of Villa Clara are making an excellent effort....

[Rodriguez, interrupting] I want....

[Porcel, interrupting] Let me finish. We have criticized a province that mills so well and has the best industrial efficiency just because there is no sugarcane; this means good work practices have not been recovered yet to resolve this problem. It seems to me that we need to say this very clearly.

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[Rodriguez] I agree but propose the following. In a future program, we could analyze the great provinces, those that contribute the most to the sugar plan, because I feel that sometimes we are unfair; this is perhaps why the people of Villa Clara are annoyed with you or all of you. It is not the same to make a 505,000 metric ton plan, such as in Villa Clara, under current conditions. Of course, we can also say that Villa Clara has proved it can produce 1 million tons.

[Maso] Osvaldo.

[Rodriguez] Yes.

[Maso] This problem of quality, good work practices, and things that are well done is like the feelings of a dwarf and a giant. They are the same in terms of feelings despite the large size. What we are talking about here is efficiency, quality, quick decisionmaking, and this problem is a Villa Clara one; why not say so so they can resolve the problem?

[Rodriguez] I do not think, however, this problem goes back very far. I believe the problem is quite recent.

[Maso] It is a problem they have not been able to resolve yet. It is not a recent problem. I have also had this job for nearly 14 years. It is an old problem. I want to explain that one thing is to mill, and another very different thing is to be excellent, as Villa Clara Province is, in sugar extraction, but one first needs to mill; this is the essential condition in a harvest.

[Rodriguez] I am not going to turn into an attorney for the people of Villa Clara. I believe they are the ones who have to defend themselves by demonstrating that they are really going to solve that problem you are pointing out to them, regardless of the fact that we need to be very fair.

"Straight Talk," in a duel transmission between Radio Rebelde's Studio 5 and its counterpart, sister radio station Radio Sancti Spiritus, Sancti Spiritus, has announced that province's fulfillment of the sugar production plan, thus becoming the first province to meet its production quota. We are discussing today the issue of good work practices in the sugarcane harvest with journalists Diosdado Maso, Juan Varela Perez, Jaime Porcel, and myself, Osvaldo Rodriguez.

I believe the issue of Villa Clara is one of the many issues at hand. I propose that we talk about some other provinces.

[Maso] Yes, but because Varela is here, he wants to state his opinion on this issue, which we have nearly concluded on Villa Clara. I mentioned Villa Clara because it is a province capable of producing more than 1 million metric tons of sugar, and all Cubans are interested in restoring good work practices.

[Varela] No Osvaldo, I was referring to the production capacity issue you addressed. I said it is not the same to produce 1 million metric tons as to produce 300,000 metric tons, but in this harvest and the past, no province of the country came even close to what it should produce. Neither Villa Clara, nor Matanzas, nor Camaguey, nor Ciego de Avila, nor Sancti Spiritus has come close to what it should produce, but in any case, each province has a potential of industry, agriculture, resources, and means to produce the amount of sugar that has been planned; in other words, I believe both Guantanamo, with its small production plan, and Villa Clara should work equally to meet their production quotas.

[Maso] You cannot measure it by this because in Guantanamo there are six sugar mill complexes, and in Villa Clara there are 28 sugar mill complexes. Villa Clara is the territory with the most sugar mills in this country.

[Varela] Yes, but I do not want to compare the size. Even Deputy Minister Gilberto Llerena said recently that they all started with the resources each of them had to fulfill their plan, and Sancti Spiritus was able to take a lead and meet the target first. It all seems to indicate that there is a great competition between Granma and Santiago de Cuba for second place, but others have fallen behind.

[Rodriguez] I have no doubt about this point. I propose that we later analyze the large provinces; that is, those contributing more. Each province has different characteristics, but we can leave that for a future program. We only have two more minutes, and I propose that we again focus on the issue of good work practices.

[Maso] I believe the most important thing is to recognize what we have advanced, and there is no doubt we have made significant progress in restoring good work practices, particularly in an industry such as the sugar industry, which is a system that must have an exact coordination from the moment ground is broken to the time the sugar gets to the home of each Cuban or foreigner who buys our sugar, but we must bear in mind that although we have advanced in this regard, we cannot lose sight of the fact we still have many problems to resolve.

We are still wasting sugarcane; we are still not cutting as efficiently as we could; we are still not doing everything in an excellent manner in this industry. There are still technicians who do not go to check at the appropriate

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time and manner on what was planted or what is being done; this must be the fundamental objective and the way of doing things for each member of this industry, our most important industry. Only this will permit us to continue celebrating accomplishments such as that reached by Sancti Spiritus Province. Hopefully, many other provinces will reach similar accomplishments, including Villa Clara, in this 1995-1996 sugarcane harvest.

[Rodriguez] I believe the great celebration will be when the entire country will be able to say we met the sugarcane production plan despite the high depression in our leading industry.

Cuba: Fire Destroys Half of Shipyard in Gibara, Holguin

PA2304014396 Mexico City NOTIMEX in Spanish 1826 GMT 19 Apr 96

[FBIS Translated Text] Havana, 19 Apr (NOTIMEX) — The AGENCIA DE INFORMACION NACIONAL (AIN) stated today that a fire on 18 April destroyed more than half a shipyard in Gibara, in the eastern province of Holguin.

The fire did not yield any casualties, and the authorities are investigating the cause. According to preliminary reports, the fire was accidental, prompted by the mishandling of flammable chemicals, the source added.

For two hours, local defense council members, firefighters, workers, and civilians tried to put out the fire, which did not reach the main equipment used for the construction of fishing vessels.

The shipyard "Alcides Pino" provides the majority of jobs in Gibara. The shipyard builds and repairs small iron and concrete [ferrocemento] and plastic vessels, boats, and tourist vessels.

Haiti

Haiti: Preval Views U.S. Congress' Position on Crimes

PA2004043296 Port-au-Prince Signal FM Radio in Creole 1130 GMT 19 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] Concerning the U.S. aid, Haitian President Rene Preval criticized on 18 April at the National Palace the position of the U.S. Congress on the political crimes committed in the country. The congressmen, who demanded that light be shed on the political crimes that were committed in Haiti under the government of President Aristide, especially on the assassination of lawyer Mireille Durocher Bertin who was opposed to President Jean-Bertrand Aristide.

President Preval has announced that he has hired various foreign specialists to investigate the crimes that were committed in Haiti. If the Haitian justice is not effective in the case of Mireille Bertin, neither is it effective in the case of Antoine and Georges Izmery, Guy Malary, and the other people who died, who were assassinated. The cases of those people are not talked about as their parents do not have a political agenda. Here are President Preval's statements.

[Begin Preval recording] I have set up an investigation brigade that is working with the help of international lawyers I have hired for that purpose, and also with the help of U.S. investigators who are working the files. As for me, everybody knows that Antoine Izmery was my brother and my friend. Jean-Marie Vincent was also my brother. Guy Malary was a minister of my government. You must understand that if today, despite our difficulties to find the assassins of those people and the assassins of many other people such as Claudy Museau... [pauses] This shows the difficulties we have due to the weak tools we have in our hands, with investigators who have been trained for four months, and who do not have the necessary means. If they told me I found the assassins of my people but do not manage to find the other assassins, I would understand. But when I talk to Mrs. Antoine Izmery [words indistinct] it is the same formula, it is the same request that she expresses to me. But she understands because she does not have a political agenda. [end recording]

We are recalling that the spokesman for the U.S. Embassy announced last Tuesday at the microphone of Signal FM that the U.S. financial aid to Haiti had been frozen except for humanitarian aid and an assistance for the National Police and the Haitian Justice Department. The Clinton administration, under the pressure of Congress, has adopted this position because they have deemed insufficient Haiti's progress in the investigations on the political crimes that were committed in the country under the presidency of Jean-Bertrand Aristide.

Haiti: Statements by U.S. Embassy Spokesman Denied

PA2104001096 Port-au-Prince LE NOUVELLISTE in French No. 35,186 17 Apr 96 pp 1,19

[Report by Evans Dubois: "Vielot Contradicts Schrager"]

[FBIS Translated Text] On 17 April, Klebert Vielot, chief of the foreign minister's cabinet, formally denied the statements made on the radio yesterday by U.S. Embassy spokesman Stanley Schrager that the Smarth

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government has not given enough guarantees about the investigations of the political assassinations perpetrated after 15 October 1994.

Vielot, who met with the press at the chancery, said he became "surprised" while listening to Stanley Schrager's statements. The cabinet chief said the government contacted the State Department and other authorities of the U.S. Government through the Haitian Embassy in the federal capital after Schrager's statements were broadcast. The Clinton administration has not yet sent any report to the U.S. Congress. "No decision has been made as to whether the $44 million U.S. lawmakers have frozen will be released," said Vielot.

On the actions by two ex-officers of the former Haitian Army, Franck Romain and Michel Francois, Vielot said they were the result of two visits made by President Preval and his foreign minister, Fritz Longchamp, in the neighboring republic. The government of President Balaguer has wanted to demonstrate its goodwill and to prevent any attempted destabilization of the Haitian Government. The decision to expel the former officers is "a step in the right direction," said Vielot. The Haitian head of state has asked his Dominican counterpart to take all measures to stop any vague intent among Haitian exiles to start trouble in the country. Vielot admitted that the government has given a passport to Franck Romain at his request.

Vielot also denied any secret agreement between the Haitian and Dominican Governments on a type of "give and take" by which Dominicans would expel the Haitian officers and the Haitian party would promise in return to turn its head away from the braceros. Incidentally, he said the defense of the country's interests now rests on Haitian diplomacy, following the death of the Army.

Haiti: Evans Francois Captured, No Arrest Warrant Issued

PA2004023296 Port-au-Prince Signal FM Radio in French 1800 GMT 19 Apr 96

[FBIS Translated Text] Another headline in the news is the arrest of the brother of former Haitian Colonel Joseph Michel Francois. Evans Francois, who returned to Port-au-Prince this week, was apprehended on 18 April in Petion-Ville, eastern suburbs of the capital by a National Palace security agent who stated that he recognized him as the brother of former strong man Joseph Michel Francois. Evans Francois was taken to the police station of Petion-Ville by the security agent of the National Palace.

However, the police officials quartered there refused to put him under police custody, because neither complaints nor warrants for his arrest had been issued. The security agent then left the police station with the former Haitian consul to Panama for an unknown place. Contacted on that score by Signal FM, the officials of the Delmas police station assert that Francois was not taken to this police station. For the moment, we do not know the whereabouts of the brother of Joseph Michel Francois who was living in the Dominican Republic.

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Mexico: Support for Paraguay's Wasmosy 'Unconditional'

PA2304033996 Mexico City XEW Television Network in Spanish 0300 GMT 23 Apr 96

[From the "24 Hours" newscast]

[FBIS Translated Text] The Mexican Government today expressed its deep concern over the current developments in Paraguay. It voiced its total solidarity and unconditional support to President Wasmosy. The Mexican Government hopes respect for legality and constitutional order will prevail in Paraguay.

Mexico: NAFTA Said To Spark Illegal Emigration to U.S.

PA1804192496 Mexico City PROCESO in Spanish 15 Apr 96 p 32

[Report by Guillermo Correa]

[FBIS Translated Text] According to researchers of the National Autonomous University of Mexico (UNAM), unemployment, high cost of living, and low salaries in Mexico have provoked an unprecedented emigration to the United States, where nearly 15 million, or approximately 64 percent, of the Hispanics are Mexican born. It is estimated that 500,000 emigrate legally and more than 1,000,000 cross the border illegally every year .

According to Elaine Levine of UNAM's Economic Research Institute, this situation is caused by NAFTA's failure because, instead of creating jobs, this agreement has provoked the closure of thousands of plants to the extent that entire sectors, such as the textile sector, have found survival difficult in the "post-NAFTA" climate.

Levine, who authored the study "The Mexicans Who Emigrate to the United States: Costs and Benefits," points out that, although a minimum salary job in the United States cannot take a three-member family out of poverty, it means an income nearly nine times higher than the minimum salary in Mexico. She recalls that close to 80 percent of the Mexican population receive an annual income worth less than a third of the minimum salary in the United States.

In addition, Jose Luis Calva, professor and researcher of UNAM's School of Economy, said that the emigration wave will increase markedly because the free trade of grain with the United States and Canada will stop farming in more than 10 million hectares and, consequently, around 15,000,000 people will emigrate from rural areas. He said: "If NAFTA would truly perpetuate free mobility of factors, those evicted from farmlands would legally emigrate to the northern countries, but because the governments of these countries do not appear to be willing to grant the free international allocation of the labor factor, the emigration will be clandestine and will not be stopped by either the Border Patrol or an iron curtain being erected at our border."

Calva reports that a number of the peasants will arrive in the cities when "we already have 9,000,000 jobless, either reported, expatriated, or unreported, in the informal sector of the economy."

Calva warns that those peasants will find no jobs in the cities, so the true problem lies in that the eviction of 3,000,000 families from rural areas — a phenomenon that has been occurring since the Salinas de Gortari government — will lead to their expatriation to the United States and Canada. In fact, he says, the United States must prepare to receive some 15 million Mexican emigrants.

Levine points out that, according to official figures, open joblessness in the country increased by nearly 40 percent during the first five months of 1995 and, in addition, approximately 13,000,000 Mexicans are engaged in informal economic activities by selling all kinds of things, washing windshields, etc.

She further said that 27 percent of the Economically Active Population (PEA) earns a minimum salary — equivalent to $3 daily — or less, and this salary is worth is less than 40 percent of what it was 20 years ago.

In this regard, she added, "the disproportionate shrinking of the Mexican true salary, since the late 1980's, gave to our country the terrible distinction of paying the lowest salaries in the world." At the same time, what is still the wealthiest country in the world, despite growing international competition, lies at the other side of the border.

Despite the Simpson-Rodino law, created as a brake to immigration in 1986, more than 1,000,000 Mexicans are deported annually.

"Evidently, a large a number of Mexicans emigrate to the United States not only because they are hungry and earn low salaries in their country, but because there are jobs on the other side of the border. Mexican emigrants fill many jobs that are systematically turned down by U.S. citizens, both white and black. The same persons who hire this cheap labor for their plants, farms, and businesses harass the Mexicans who walk through their commercial and residential areas and resist letting their children go to school or getting medical or hospital attention."

Levine says that the number of arrested illegals, which reveals the number of illegal immigrants, although

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indirectly, dropped between 1986 and 1989, but that this number has since increased.

"Various sources reported more than 1,000,000 deportees annually late in the 1980's. Even the most conservative estimates admit that the flow of illegals has probably increased since 1990."

Mexico: Secretary Cited on Immigration, Riverside Case

PA2304014596 Mexico City LA JORNADA in Spanish 19 Apr 96 p 1

[Report by David Apote — received via Internet]

[FBIS Translated Text] Chicago, 18 Apr — The Mexican Government has made contact with the Inter-American Commission on Human Rights in order to get the OAS to condemn the abuses and human rights violations of migrant workers, Foreign Secretary Jose Angel Gurria announced here.

The foreign secretary was critical of any strong-arm tactic or wall constructions along the border with Mexico as methods to curb the flows of immigration. "It is rather paradoxical that just as the world prides itself in having destroyed physical and ideological barriers in Eastern Europe, new and higher walls are being built in the United States as a scar on the history of our nations," he said.

Speaking before the leaders of the Mexican American Legal Defense and Education Fund (MALDEF) and Hispanic community leaders, he said Mexican authorities strongly reject any kind of police brutality such as the one perpetrated in Riverside, California. "With respect for the sovereignty of the United States, the Mexican Government will do its best to protect the human rights of undocumented victims of this kind of mistreatment," he said.

Gurria today began a two-day visit to Chicago where he will hold meetings with representatives of Hispanic and business organizations such as MALDEF, the Chicago Foreign Relations Council, the Mexican-American Chamber of Commerce, and leaders of the Mexican community.

Upon arriving, he hosted a news conference where he talked about immigration, the Riverside case, and the Temecula incident, the U.S. government *certification* of the war on drug trafficking, the North American Free Trade Agreement, the political handling of the Chiapas problem, the Mexican rejection of the recently enacted Helms-Burton law, and the use of Mexico in U.S. electoral campaigns.

Most of the questions by U.S. and Hispanic reporters dealt with, however, the abuses against migrant workers and the White House *certification* of the war on drugs.

The Mexican foreign policy maker explained that the recent immigration incidents do not reflect the total state of bilateral relations nor entail that there is a systematic policy aimed at violating the human rights of undocumented aliens. "There is no evidence that this policy is a state one," he reiterated.

Nevertheless, Mexican authorities have protested the violation of the human rights of Mexican migrant workers and believe violence is not the solution to the problem, he said.

Regarding international actions to denounce these abuses, he said the SRE [Secretariat of Foreign Relations] is acting on three fronts: It is seeking a resolution by the UN Human Rights Commission, is drafting a minimum code of conduct on immigration, and is promoting a censure by the OAS.

Regarding the *certification*, he said that practice inhibits cooperation on the war on drugs. "The common enemies are drug traffickers, not countries. We are in this struggle together, as partners, and one of the partners suddenly says: Give me one moment and I will return. He turns up at the other side of the table as judge, judges you, returns afterward, and says: Well, let's continue working. It is very difficult to accept that logic."

"To accuse our country may seem a very popular or politically beneficial position, but it only creates confusion regarding the true enemy," he concluded.

In the evening, he gave a speech at the annual meeting of MALDEF at the Chicago Hilton Hotel. His speech was based on two topics: The importance the Mexican Government attaches to the relations with the Mexican-American and Latin communities in the United States and the immigration phenomenon.

For starters, he noted that the Mexican and U.S. Governments are "neighbors forever," will be able to handle their relations through a "new understanding" to transform their proximity into a source of achievements and opportunities and a new guarantee of regional peace."

Gurria broached the "crucial" aspect of immigration: Mexico is committed to ensure that toil and effort by its fellow citizens are conducted on Mexican soil and have repercussions on the prosperity of the country. The economic asymmetries, however, have worsened this structural problem.

According to recent estimates, close to 20 million people of Mexican origin are living in the United States, and 15

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million of them were born in U.S. territory. The majority of the studies suggests that the immigration pressure will drop in a few years, although the demand for Mexican labor will be maintained and will continue to contribute in strengthening the U.S. economy, he said.

"Immigration is a very complex structural topic that concerns and binds the two societies. Setting aside ethical and human rights considerations, immigration cannot be stopped with police or strong-arm tactics," he affirmed.

Mexican authorities, he added, do not deny the sovereign right of the United States to enforce its immigration laws, "but in view of the violations of the human rights of our fellow citizens, regardless of their immigration status, Mexico's society, government, and diplomatic and consular officials cannot and will not remain passive. "We are strongly opposed to any kind of police brutality, as the one we watched weeks ago in Riverside. The Mexican Government will do its best to protect the rights of victims' human and civil rights, within the bounds of respect for the sovereignty of the United States. We have voiced our concern through the appropriate diplomatic channels and have demanded prompt and immediate action from the U.S. Department of Justice so as to avoid the repetition of these regrettable incidents.

"Not carrying immigration documents does not justify the violation of human rights contained in regional and universal conventions on the matter, and when abuses take place they must be reported, the perpetrators must be punished, and compensation must be paid," he affirmed.

In his 20-page document, he stated that the discussion on immigration has acquired an "impassioned" approach and has become an easy means to gain votes. "A disquieting, xenophobic trend has become widespread in the world. We must be extremely careful about this grave trend. History has taught us that discrimination becomes indiscriminate sooner or later."

Gurria said moderation and political understanding are essential to obtain positive solutions to the problems of Mexico and the United States and concluded: "There is much at risk and much to preserve for the welfare of our nations. The sole option we have is to be good neighbors and to draw the greatest benefit from our proximity."

Mexico: Roundup of Economic Developments Through 22 Apr

PA2304022396

[FBIS Report] The following is a compilation of reports on economic developments in Mexico monitored through 22 April.

Finance Secretary Guillermo Ortiz has stated that public expenditures for investments experienced a recovery in March, thus offsetting the drop registered in January, according to a 15 April report datelined Mexico City. In a brief interview granted within the framework of the 7th Convention of the Mexican Securities Exchange, Ortiz remarked that according to preliminary figures, at least half of the drop experienced in public expenditures in January, which amounted to $789 million, has been offset. (Mexico City NOTIMEX in Spanish 2051 GMT 15 Apr 96)

The 1995 crisis prompted the flight of slightly over 100,000 investors from the securities market. Whereas the brokerages registered slightly less than 157,800 accounts by the end of 1995, this figure dropped to 147,468. This drop represented a 6.54-percent decrease in 12 months. On average, each account concentrated resources for 3.613 billion pesos by the end of 1995. From all the brokerages, Inbursa led with 20.15 percent of total safekeeping of accounts, an amount equal to 107,367,306,000 pesos. Bancomer followed Inbursa, with a total safekeeping of account of 29,688,002,350 accounts. Concerning the number of accounts, Inverlat registered the largest number, with 25,044 investors. As far as the number of employees, the 29 brokerages reported a total of 6,037 workers by the end of 1995. (Mexico City EL FINANCIERO in Spanish 15 Apr 96 p 4)

Eleven percent of Mexican companies closed due to bankruptcy between 1995 and thus far this year. According to a survey conducted by Securities Auction Capital, SAC, with a sample of 3,808 companies located in Mexico, 59 percent of these companies are currently unable to pay their banking debts in the time and terms agreed upon. The study's results show that those companies that rely heavily on the domestic market are the hardest-hit due to a reduction in their financial flows. In addition, 74 percent of the debts will have to be refinanced in 1996 in order "to make the companies viable, since 90 percent of them are burdened by financial indebtedness and 60 percent are facing conditions that pose a serious threat to their survival." SAC results conclude that the companies that rely heavily on the domestic market "will continue to see their cash flow decrease for the rest of 1996 and a good portion of 1997, considering the low prospects for economic recovery." According

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to the survey, if the creditors optimize their collection methods, 26 percent of overdue debts might be recovered, while 74 percent of these debts will have to be refinanced this year, bearing in mind that the financial burden is the leading factor for the "inviability of these companies." (Mexico City EL FINANCIERO in Spanish 15 Apr 96 p 10)

According to Oscar Terroba, director of the National Bank of Rural Credit, Banrural, this institution handed credits for 856 million pesos in the first two months of 1996, thus surpassing by 19 percent the goal projected for this period. Terroba stressed that of the total, 612 million corresponded to farming credits; 47 million to refinancing credits; and 227 million to "another type of financing." (figures as published) A Banrural communique states that refinancing operations, extensions, and renewals for 286 million pesos by 6,038 clients were registered in this period. Meanwhile, Banrural received 591 million pesos from the recovery of principal, 16 percent of this money was made from "the payment of overdue portfolio" and the rest from the maturity of credits. This institution earned 199 million pesos in portfolio interests. Banrural also handed incentives for 4 million pesos to those clients who paid in advance. (Mexico City EL FINANCIERO in Spanish 15 Apr 96 p 11)

Mexican Petroleum, Pemex, exported a daily average of 1.5025 million barrels of crude in the first two months of 1996, earning $1.472 million in foreign exchange, according to a 16 April report datelined Mexico City. According to the parastate, the foreign exchange earned from the export of crude in the first two months of 1996 increased by 25.7 percent compared to the $1.171 billion earned in the same period of 1995. In a communique, Pemex pointed out that among its different clients in the American continent, Europe, and the Far East, Mexico exported a daily average of 213,300 barrels of light Istmo crude. This volume represents the earning of foreign currency for $221 million, which equals a $68-million increase compared to 1995 figures for the same period. Regarding the exports of heavy Maya crude in the three geographic regions, Pemex exported an average of 812,800 barrels a day and earned $725 million, thus registering an increase of $129 million compared to 1995. During the first two months of 1996, Pemex exported 476,400 barrels of extralight Olmeca crude a day, earning $526 million, that is, an $104-million increase over 1995. Pemex mentioned that of the total volume of Mexican crude sold abroad in this period of 1996, the United States purchased 75.7 percent; Spain, 6.2 percent; and the Far East, 6 percent. (Mexico City NOTIMEX in Spanish 2353 GMT 16 Apr 96)

International reserves in custody of the National Bank of Mexico, Banamex, have remained stable over the past three quarters. March closed at $15.663 billion. At the close of 1995, reserves totalled $15.737 billion. This stability is due to the constant influx of foreign capital from exports. The country's foreign financial obligations are 83.2 percent higher than the reserves. The country had used 53 percent of the financial assistance package by 31 December 1995, thus has used $26.797 billion. (Mexico City EL FINANCIERO [ANALISIS Supplement] in Spanish 16 Apr 96 p 5A)

According to analysts of the Confederation of Mexican Workers, CTM, more than 400,000 businesses will not be able to pay their employees their share of the profits for the 1995 period. CTM predicts that 4.5 million workers will be affected in May. CTM estimates that only 50 percent of the businesses are in any condition to fulfill this obligation, which will be small amounts because 1995 production figures were very low. (Mexico City EL FINANCIERO in Spanish 16 Apr 96 p 28)

According to the Confederation of National Chambers of Commerce, Concanaco, and the National Institute of Statistics, Geography, and Information Science, INEGI, many of Mexico's businesses have been adversely impacted by the NAFTA. The yearly study shows that 57.07 percent of the wholesalers consider NAFTA has harmed their business; 17.73 percent say the treaty has neither benefited nor hurt them; and only 16.58 percent believe NAFTA has favored them. (Mexico City LA JORNADA in Spanish 17 Apr 96 p 43)

Banamex announced that Mexico's net international reserves amounted to $15.62 billion as of 12 April, according to a 16 April report datelined Mexico City. This represents a $121 million drop since 3 April. (Mexico City NOTIMEX in Spanish 0330 GMT 17 Apr 96)

According to a Mexico City, 16 April datelined item, Bancomer, Bank of Commerce, which is Mexico second largest financial group, increased first quarter profits 418 percent compared to the similar preceding period. (Mexico City NOTIMEX in Spanish 0051 GMT 17 Apr 96)

EXPANSION magazine reports that tequila producers are studying mechanisms to face production surpluses due to poor planning, according to a 17 April report datelined Mexico City. Years ago the sector suffered shortages of agave plant, which is the basic raw material used to make tequila. However, due to poor coordination within the productive chain that dates back to 1987, when there was the shortage, there is an overproduction now. The warning signals only became apparent in 1995

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when inventories reached 180 million agave plants. The tequila industry only consumes 5 million plants each year. (Mexico City NOTIMEX in Spanish 1706 GMT 17 Apr 96)

Primary interest rates for Treasury Certificate, Cetes, experienced a significant drop in response to a "more optimistic outlook on the course of the economy, as well as low levels of secondary monetary markets, and the peso's firmness." This drop holds true for all the terms. Banamex decided a 2.88 point reduction for the lead rate, thus will offer a 34.55 percent payback on Thursday, the year's lowest. The rate drops for 91, 182, and 350 days were 3.92 percent, 3.93 percent, and 3.51 percent respectively. Thus medium and long-term Cetes settled at 35.71 percent, 35.68 percent, and 36.3 percent, respectively. Foreign investors participated this week with about $550 million. (Mexico City EL FINANCIERO in Spanish 17 Apr 96 p 7)

Carlos Slim Helu, chairman of Inbursa Financial Group's board of directors, reports that at the end of 1995 the group ranked as the country's fourth largest, with a capital of 7.8993 billion pesos, and first in profits for the second consecutive year, with 3.2257 billion, a net increase of 130.2 percent over the 1994 fiscal year. (Mexico City EL FINANCIERO in Spanish 17 Apr 96 p 6)

The Bank of Mexico has authorized Bank of Tokyo-Mitsubishi (Mexico), Chase Manhattan Bank Mexico, BNP (Mexico), and Banco del Atlantico to act as intermediaries in futures trading of dollars. (Mexico City EL FINANCIERO [ANALYSIS Supplement] in Spanish 17 Apr 96 p 2A)

The Finance Secretariat (SHCP) has reported to the Agriculture Secretariat that 213.3 million pesos will be cut from the latter's budget and that the Agrarian Reform's Secretariat budget will be cut by 63.6 million pesos. SCHP further reported that administrative units whose contribution is low will have to be merged or eliminated. In addition, the secretariats will have to eliminate unnecessary jobs, reduce the number of vehicles, and eliminate nonpriority expenses. (Mexico City LA JORNADA in Spanish 17 Apr 96 p 50)

National Finance Bank (Nafin) director Gilberto Borja Navarrete has reported that the institution will speed up the allocation of credits to entrepreneurs with viable projects and economic activity boosters, in particular manufacturing enterprises that help the operation of productive networks and the development of suppliers. He said that Nafin's surplus of 55.276 billion pesos will be at the disposal of the productive system. He also said that SHCP has given the green light to the allocation of a total of 10 billion pesos to the risk capital program, in which 5 billion pesos have already been committed and more than 70 supportable projects have been identified. (Mexico City EL FINANCIERO in Spanish 17 Apr 96 p 8)

According to the Bank of Mexico, while the country's hulled coffee exports amounted to $706 million last year — a 96-percent increase over the previous year — the export of this product amounted only to $219 million during the first two months of 1996. The coffee production is expected to drop by more than 3,000,000 tons due to the most recent drought. (Mexico City EL FINANCIERO [ANALYSIS Supplement] 17 Apr 96 p 10A)

Commerce Secretary Herminio Blanco reports that 48 percent of the jobs lost during the January-June semester last year have been recovered. He also said that, contrary to the private sector's predictions, inflation will stand at approximately 20 percent and an economic growth rate of 3 percent is attainable. (Mexico City EL FINANCIERO in Spanish 18 Apr 96 p 21)

Vicente Yanez Solloa, first vice president for the National Association of Manufacturers (CANACINTRA), has reported that delays in public spending and uncertainty about the future of private investments have provoked a 2.5-percent decrease in the manufactured goods production during the first quarter of this year and that seven of the sector's nine divisions report decreases. (Mexico City EL FINANCIERO in Spanish 18 Apr 96 p 22)

According to an assessment by EL FINANCIERO, the mining sector has encountered the fewest obstacles during this crisis. It grew by 3.5 percent in January, while the rest of the industry is stagnate. The situation has been fueled by a new mining law that has expedited concessions in the field and attracted the attention of foreign enterprises. In addition, the international prices of the most important metals increased. (Mexico City EL FINANCIERO [ANALYSIS Supplement] in Spanish 18 Apr 96 p 37)

A Mexico City 19 April report cites an official report by the National Bank of Mexico, Banamex, which states that during the first three months of the years profits totaled $76 million. The report adds that Banamex has created a fund for loan risks of approximately $188 million. (Paris AFP in Spanish 1230 GMT 19 Apr 96)

Figures by the Secretariat Finance and Public Credit, SHCP, indicate that this year the country will pay $28.699 billion to service the total (public and private) foreign debt, or 10 percent of the GDP. At the end of 1995, the total foreign debt amounted to $161.130 billion or 24.7 percent more than in 1994. According

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to the SHCP report, the amount it will pay this year to service the foreign debt exceeds the social development budget by 2.3731 billion (no currency given). At the end of 1995, the public foreign debt was $116.762 billion, considering the U.S. aid package, while the private foreign debt amounted to $44.368 billion. (Mexico City REFORMA in Spanish 19 Apr 96 p 1 — received via Internet)

During the first three months of this year, the production of finished steel products rose to 3.5 million tons and sales in the domestic market rose 10 percent, Julio Cesar Villareal, National Iron and Steel Chamber (Canacero) president, has said. Decio de Maria Serrano, deputy secretary for industrial advancement and foreign commerce of the Commerce and Industrial Development Secretariat, stated that this sector employs 73,195 workers and contributed 5.8 percent to the GDP in 1995. (Mexico City EL FINANCIERO in Spanish 19 Apr 96 p 1 — received via Internet)

Chiapas State governor announced that overall investments in social and production programs this year will total 40.624 million pesos. These investments will be made in the cities of Rayon, Ixhuatan, Solosuchiapa, and Chapultenango. (Mexico City EL FINANCIERO in Spanish 19 Apr 96 p 46 — received via Internet)

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Guatemala

Guatemala: Armed Forces Say Internal Conflict Over

PA2304013496 Panama City ACAN in Spanish 1408 GMT 20 Apr 96

[By Eric Salazar]

[FBIS Translated Text] Guatemala City, 20 Apr (ACAN-EFE) — Although the government and the Guatemalan National Revolutionary Unity (URNG) have not concluded peace treaty negotiations, the Guatemalan Army believes the war has ended.

According to Guatemalan Defense Minister General Julio Balconi, the Armed Forces believe the internal armed conflict has ended following the suspension of anti-guerrilla operations ordered by President Alvaro Arzu on 20 March.

Balconi's statement, made during a conference on security for business leaders, agreed with those expressed recently by other high-ranking military leaders, including the chief of staff for national defense, Sergio Camargo.

The presidential order, a response to the URNG's intent to suspend its offensive military operations, has ended what humanitarian organizations agree was the main source of human rights violations.

The intention of the guerrilla forces and the government is to create more confidence that will facilitate talks under conditions of less tension and respect.

The Arzu administration, in power since January, has continued the peace dialogue that began in April 1991 during the Presidency of the deposed coupist Jorge Serrano and has expressed its determination to conclude the negotiations this year.

According to Generals Balconi and Camargo, the Army will limit itself to carrying out its obligations as stipulated by the Constitution.

The Army high command says that other factors, such as ordinary crimes, drug trafficking, kidnapping, environmental degradation, and car theft, are priorities within the security agenda and that the Army is willing to support the police in fighting these crimes.

Nevertheless, Balconi acknowledges that certain problems still exist as a result of the 35-year-old, internal, armed conflict.

This is the case of the so-called "war tax" which the guerrilla forces have demanded from the country's rich landowners and which the guerrilla forces have offered to suspend after signing an agreement on the socioeconomic and agrarian situation under discussion. The Chamber of Agriculture affirms that its members have paid over $1 million to the rebels this year.

Although the cease-fire is in effect, URNG combatants are still armed and continue to spread their political propaganda in the interior agrarian communities.

Balconi says the Armed Forces should be "tolerant and accept that the armed rebels's propaganda is occurring as a transition from a military to a political struggle.

Another step that will contribute to the growing climate of peace existing in this Central American country is the gradual disbanding of the Civilian Self Defense Patrols (PAC), which are charged with a large number of crimes and abuses against Guatemalan citizens.

President Arzu and Balconi have affirmed that this paramilitary force, which had as many as 1 million members, has approximately 200,000, and the disbanding process will continue as the armed conflict is reduced.

Old threats to social calm, such as the historical conflict over the possession of land that has caused serious conflicts resulting in the death of a police chief and serious injuries to eight policemen and four peasants, have arisen.

Pedro Esquina, a leader of the Coordinating Board of Indian Organizations and Nations of the Continent (CONIC), has told ACAN-EFE that although the socioeconomic and agricultural agreement could be signed in May, if the land tenure situation is not analyzed in depth, it will provoke new and more serious conflicts in this country where 5 percent of the population owns 90 percent of the arable land.

Honduras

Honduras: Solidarity With Paraguay's Wasmosy Expressed

PA2304025696 Madrid EFE in Spanish 0054 GMT 23 Apr 96

[FBIS Translated Text] Tegucigalpa, 22 Apr (EFE) — The Honduran Foreign Ministry on 22 April decried "any attempt at altering democracy in Paraguay" and expressed its solidarity with the president of this South American country, Juan Carlos Wasmosy, after learning of the rebellious attitude by Army Commander General Lino Cesar Oviedo.

In statements to ACAN-EFE, Honduran Foreign Minister Delmer Urbizo Panting said "the hemisphere has to condemn any disobedience by Oviedo," adding that the Foreign Ministry "condemns any attempt at altering

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the democratic order in Paraguay and clearly and emphatically affirms that the military must subject itself to civilians as a confirmation of democracy in modern times."

The diplomat said the Central American presidents "will undoubtedly condemn any attempt at altering Paraguay's democratic and constitutional order." In his opinion, the international community supports the "nascent, Paraguayan democracy and President Wasmosy," who is facing "the problems typical of a democratic government following many years of dictatorship."

The countries' problems "are resolved by votes and major national debates, not by means of insurrection and disobedience to the president's orders," the Honduran foreign minister stressed, adding that Oviedo "has been disobeying democracy" for some time now.

President Wasmosy has confirmed the rebelliousness of Oviedo, who had given Wasmosy three hours to reconsider his decision to make him retire. Wasmosy has said his government "will firmly keep its decision and will not tolerate any rift or weakness in the country's institutional normalization and democratization process."

One of the ministers of Alfredo Strossner, who ruled Paraguay from 1954 to 3 February 1989, when he was toppled by a coup led by Andres Rodriguez, who won the presidential elections two months later, is living in Honduras as a political refugee. His name is Sabino Montenaro, who fled his country in the aftermath of Strossner's fall.

Wasmosy was elected on 9 May 1993 during democratic general elections.

Nicaragua

Nicaragua: Firm Support Expressed for Paraguay's Wasmosy

PA2304031296 Mexico City NOTIMEX in Spanish 0207 GMT 23 Apr 96

[FBIS Translated Text] Managua, 22 Apr (NOTIMEX) — The Nicaraguan Government tonight expressed its firm support to Paraguayan President Juan Carlos Wasmosy, who is confronting a rebellion from his Army commanding general, Lino Cesar Oviedo.

In a statement for NOTIMEX, Nicaraguan Foreign Minister Ernesto Leal said his country "supports the institutional order in Paraguay, which must be respected."

"For Nicaragua, the subordination of military authorities to civilian power is fundamental, a principle which has cost so much pain, suffering to Latin America in its quest for democracy," he added.

According to reports from Asuncion, the Paraguayan capital, tonight Wasmosy officially announced that he had ordered Oviedo's retirement and had removed him from his post as commander of the Armed Forces. The reports stated that Oviedo rebelled against Wasmosy this afternoon in an attempt to thwart the presidential decision to retire him.

The same reports added that on various occasions, the opposition has accused Oviedo, a military officer with political designs, of violating the Paraguayan Constitution, which prohibits the participation of military officers in political activities.

According to the same sources, the opposition has claimed that a minority sector of the ruling Colorado Party responds to Oviedo's orders.

Nicaragua's support is added to other statements made during the past few hours by the governments of Argentina, Bolivia, and the United States, as well as the Rio Group and the OAS.

Panama

Panama: President Notes 'Full Support' for Wasmosy

PA2304022196 Panama City ACAN in Spanish 0117 GMT 23 Apr 96

[FBIS Translated Text] Panama City, 22 Apr (ACAN-EFE) — Panamanian President Ernesto Perez Balladares on 22 April voiced his "full support" to the democratic regime of Paraguay headed by his colleague, Juan Carlos Wasmosy, and he also condemned "any attempt" to break the institutional order in that South American country.

The Panamanian head of state urged all Latin American countries to voice their solidarity with the "young, democratic process" in Paraguay in the wake of the rebelling of General Lino Cesar Oviedo.

Perez Balladares warned that the interruption of that process "would constitute a serious setback for the strengthening of democracy achieved throughout the continent in past years."

Oviedo has refused to retire as ordered by President Wasmosy, who has rejected a three-hour ultimatum that this military man gave him to reconsider this decision.

Panama: Helms-Burton Said To Have No Effect in Panama

PA2204185096 Panama City EL PANAMA AMERICA in Spanish 22 Apr 96 p E16

[FBIS Translated Text] Cuban Ambassador to Panama Carlos Mas Zavala said yesterday that the Helms-Burton

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law has not affected trade between Panama and Cuba. In fact, that trade between the two nations increased in the first quarter in 1996.

Mas Zavala pointed out that 100 percent of Panamanian businessmen doing business with Cuba "have not hesitated in continuing to trade with Cuba despite the threats of the Helms-Burton law."

The Helms-Burton law,, which was approved by the U.S. Congress, includes sanctions for countries that trade with Cuba, however the law has not been regulated by the executive branch.

Panama's trade balance with Cuba runs between $100 and $300 million annually, mainly with companies established in the Colon Free Zone.

Mas Zavala said that the Helms-Burton law "has had no real effect" on Panama, although he acknowledged that their is "concern" among Panamanian businessmen regarding possible sanctions that will be implemented once the law goes into effect.

Mas Zavala said that in the first quarter of 1996 trade between Panama and Cuba through Colon Free Zone businessmen showed a slight increase.

Ambassador Mas Zavala pointed out that the United States cannot ignore Cuba's economic potential, which is attractive to other businessmen throughout the world.

As an example, Mas Zavala pointed to the Cuban tourist industry, which grew 45 percent last year, and which expects an additional 1 million in 1996.

Panama: Government Signs Antidrug Agreement With Peru

PA2204193996 Panama City Telemetro Television Network in Spanish 1730 GMT 22 Apr 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] Panama and Peru signed an antidrug agreement. The agreement calls for each country to complement the other's actions in the struggle against drug trafficking, within the framework of the UN Convention Against Illicit Narcotics Trafficking.

In addition, the agreement establishes that both countries shall exchange information on their national programs on drugs, legislation, and jurisprudence.

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Argentina

Argentina: Warning on 'Break' in Democracy in Paraguay

PY2304024296 Buenos Aires TELAM in Spanish 0025 GMT 23 Apr 96

[FBIS Translated Text] Buenos Aires, 22 Apr (TELAM) — The Argentine Government today made "an energetic appeal to those who are disobeying the authority" of Paraguayan President Juan Carlos Wasmosy and urged them to "immediately surrender" their attitude in favor of the institutional stability of the neighbor country.

The Argentine Government has likewise warned of "the serious consequences that any break in the democratic system would imply in the bilateral relations and integration process of the Mercosur [Common Market of the South]." This is stated in a communique signed by Deputy Foreign Minister Fernando Petrella and by Latin American Policy Under Secretary Juan Jose Uranga.

The full text of the communique, which was released by the Media Secretariat, states that "in face of the serious events that are currently taking place in the Republic of Paraguay, which are threatening the democratic institutions of the sister country, the Government of the Argentine Republic wishes to reiterate its trust in the representative democracy and its institutions."

"It therefore makes an energetic appeal to those who are disobeying the authority of President Wasmosy so that they immediately surrender their attitude in favor of the institutional stability" of the neighbor country.

"In relation to this serious situation, the Argentine Government is maintaining permanent contact with the legitimate authorities of Paraguay, with the countries members of the Mercosur, as well as with the rest of the democratic governments of the hemisphere," states the declaration.

Finally, "the Argentine Government considers that it is necessary to point out the serious consequences that any break in the democratic system will imply in the bilateral relations and in the integration process of the Mercosur."

Argentina: Presidents Express Solidarity With Paraguay

PY2304013996 Buenos Aires TELAM in Spanish 0037 GMT 23 Apr 96

[FBIS Translated Text] Buenos Aires, 22 Apr (TELAM) — Foreign Minister Guido Di Tella reported this evening that President Carlos Menem expressed today his "solidarity and the support of all Mercosur [Common Market of the South] member countries' governments" to Paraguayan President Juan Carlos Wasmosy in light of the information about a military uprising in our neighboring country.

During a news conference he called at the Foreign Ministry, Di Tella said: "Menem telephoned Brazilian President (Fernando Henrique) Cardoso, Uruguayan President (Julio Maria) Sanguinetti, and Chilean President (Eduardo) Frei and they were of one mind about the fact that no country in Latin America can have an auspicious destiny unless it respects democracy and human rights."

The foreign minister pointed out that "the Argentine, Brazilian, and U.S. ambassadors in Asuncion met this evening with [Army Commander] General Lino Cesar Oviedo to convey to him the grave consequences that a rupture of the institutional order could have in Paraguay, since it would merit the condemnation of the international community."

Di Tella noted that this action was agreed upon by the governments of the three countries, "with the prior consent of Wasmosy, who deemed it would be an appropriate procedure."

The foreign minister commented: "I hope that this step and the weight that international pressure can carry will make Gen. Oviedo ponder on this and review his attitude."

Gen. Oviedo refused to accept President Wasmosy's retirement order and notified the head of state that he had three hours to go back on his decision, essentially issuing an ultimatum to Wasmosy.

Di Tella said that he had held talks with the foreign ministers of the Mercosur member countries as well as those of Chile and the United States.

"I have also talked with Paraguayan Foreign Minister (Luis Maria) Ramirez Boettner to convey to him our solidarity," he added.

Di Tella recalled that both Mercosur and the OAS "have a democratic clause condemning a country that renounces democracy to isolation."

Di Tella said that the threat of an institutional problem in Paraguay had been "looming for some time in that country as a subject giving rise to grave concern."

The foreign minister conceded: "This situation has not taken us by surprise." He noted that "two days ago," Argentine Ambassador in Paraguay Nestor Ahuad was in Buenos Aires, and "shared with us most worrisome information, which has unfortunately come true."

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Argentina: Menem Says No Obstacles to IBM Investigation

PY2204164596 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0129 GMT 21 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 20 Apr (NA) — President Carlos Menem said today he will not create "any obstacles in the way of the judicial investigation" into the involvement of the Public Function Secretariat in the contract between the Argentine National Bank [BNA] and IBM for the computerization of the [BNA] central offices and branches.

Enrique Paixo, head of the National Auditing Office revealed today that his department will investigate if the Public Function Secretariat, which is headed by Claudia Bello, acted correctly when evaluating the contract between IBM and the BNA.

The head of state, after participating in a golf tournament at the Hindu Club de Don Torcuato, revealed that he will talk with Bello when the secretary returns from the United States, as he does with "all" officials.

The president said: "I will not place any obstacles in the way of the investigation. We want the absolute truth. Sometimes officials ask for an investigation when they see there may be doubts." [passage omitted]

Interior Minister Carlos Corach categorically ruled out any possibility Public Function Secretary Claudia Bello may be involved in the irregularities being investigated in the IBM-BNA case.

The minister said: "There are no indications that she had any responsibility in the case. There are absolutely no charges against her."

Corach made these remarks during a news conference together with Defense Minister Oscar Camilion, Justice Minister Rodolfo Barra, and Chief of Cabinet Jorge Rodriguez at the Olivos residence after a meeting with President Carlos Menem.

This was the way the government referred to an announcement by National General Auditor Enrique Paixao who said his office will investigate whether Bello participated.

Paixao explained: "We want to know what exactly happened at the Presidential Information Systems Under Secretariat over the Centenario Project contract. We want to know if all appropriate controls were implemented."

Argentina: Chilean President on Integration, Trade, NAFTA

PY2204190996 Buenos Aires CLARIN in Spanish 20 Apr 96 p 14, 15

["Summary" of "exclusive" interview with President Eduardo Frei by Oscar Raul Cardoso and Marcelo Cantelmi in Santiago, Chile, on 19 April]

[FBIS Translated Excerpt] [CLARIN] What is Chile's current strategy with respect to Mercosur [Common Market of the South]? Will it attempt to become the fifth member?

[Frei] Since we signed the first document in 1994 we have been saying that for us Mercosur was not merely a tariff agreement. It is much more than that: It is the road to integration. We are talking about physical, energy, and service integration. We are in the stage of final negotiations. The political decision will be clarified before the signing of the agreement in Buenos Aires on 25 June.

[CLARIN] How does Mercosur's political integration affect Chilean interests?

[Frei] It is very important for us to join Mercosur. We have always wanted a global agreement. There is a new horizon in the area of mining. We integrated in the area of oil and we will integrate in the area of gas. I think we must also integrate in the area of electrical energy. The volume of Chilean investments in Argentina is growing. It currently totals $3.5 billion and approved projects will add another $6 billion to this figure. Chilean investments in Latin America are already above $10 billion. This creates economic and entrepreneurial links. These investments are not speculative or temporary, but in manufacturing and long-term projects.

[CLARIN] You speak about full membership. Will Chile be the bloc's fifth member?

[Frei] We are moving in that direction. The problem is that there is a process, a period until all economies are harmonized. Chile has an 11 percent tariff while Mercosur starts with a tariff of 25 percent to 30 percent.

[CLARIN] Has there been a change in policies? In the past you were more cautious and only spoke of a more limited association with Mercosur.

[Frei] In 1990 there was a decision involving not only Chile, but all Southern Cone countries, to go ahead and seek integration.

[CLARIN] You do not mention NAFTA. Has the retraction of that possibility made the idea of joining Mercosur more attractive?

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[Frei] Of course not. But what would have happened if last year there had been a political will or a political agreement at the U.S. Congress to approve a "fast-track" [preceding words in English] for Chile? The answer is that we would have been negotiating with NAFTA. Why hide the truth? [passage omitted]

Argentina: Alleged Arms Sales to Ecuador, U.S. Drug Report

PY2204173096 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1443 GMT 22 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 22 Apr (NA) — President Carlos Menem emphasized today that "Argentina's image has not been tarnished" by the case involving arms sales to Ecuador. Concerning Defense Minister Oscar Camilion's alleged responsibility in this affair, Menem noted: "I am against passing judgment before the courts hand down a ruling."

Menem said this during a news conference at Government House this morning. He was accompanied by Media Secretary Raul Delgado and his closest aides. [passage omitted]

Regarding reports that Argentina offered arms to Iran, Menem pointed out: "This concoction by some media is utterly absurd." He added: "Defense Ministry funds sometimes are not sufficient to pay salaries, let alone to purchase weapons and send them to Ecuador. This is impossible." [passage omitted]

Asked about a U.S. State Department report which emphasizes the Argentine Government's "favorable attitude," but criticizes the security forces' modus operandi and the courts' sluggishness, Menem said: "I do not agree with it."

Concerning the struggle against drug trafficking, Menem noted: "That report emphasizes our government's concern over this struggle." He admitted that funds for the struggle against drug trafficking "are scarce, but we will increase them as more funds become available."

Menem said: "This report is unrealistic." He emphasized: "The Armed Forces have no possibility of joining in the struggle against drug trafficking."

The president noted: "Unlike other countries in Latin America, where drug trafficking, guerrillas, and subversion occur together, their Armed Forces have to fight this scourge, it makes no sense for our Armed Forces to become involved here, where drug trafficking is not so serious."

Menem pointed out that, "if I assign a single soldier" to the struggle against drug abuse, "the entire community would be on me." [sentence as received]

Menem emphasized: "I say the opposite: There is efficiency, the job is being done well, and everything pertaining to drug trafficking is being dynamically fought."

Menem explained: "If the Air Force discovers an airstrip used for contraband, not just for drug trafficking, the Armed Forces immediately report this situation to the provincial police, the federal police, and the security forces." [passage omitted]

Argentina: Cabinet Reported Divided Over Military's Role

96SM0240A Buenos Aires CLARIN in Spanish 14 Mar 96 p 1

[Commentary by Eduardo Van Der Kooy: "The Military Has Politicians Worried" — received via Internet]

[FBIS Translated Text] The Armed Forces are back on the scene. They were the central issue of the Menem-Cardoso summit. A decision will have to be made as to whether they will be involved in the battle against drug trafficking. This is crucial to Mercosur's security policy, as Paraguay seems to be a stumbling block. It has sided with the military since the outbreak of violence in Argentina.

Once again, both "here and abroad," the military is among the main concerns of politicians.

The reason, perhaps, is a concurrence of events in both space and time. The visit by the president of Brazil, Fernando Henrique Cardoso, has made topical once more the need to define the role of the Armed Forces in the Southern Cone, a role that had become watered down after the end of the Cold War but that has now been revived owing to the spread of drug trafficking in the region. The disturbances of the peace caused in recent days by several bombings and a flood of telephone threats brought back memories of grim times for the Argentine people, grim times during which the Armed Forces were a major player. After the 20th anniversary of the coup, "which was recalled with a massive rejection," rancor resurfaced between poles of society that are manifestly incapable of reconciling.

Let us proceed step by step. The summit meeting between the presidents of Argentina and Brazil was more important than previous ones. Carlos Menem and Cardoso discussed more than just issues related to the economic workings of Mercosur. For the first time they spoke in depth about political and security matters in the area. There were several reasons for this. This time the presidents did not have to reconcile their positions with Paraguay and Uruguay, with which they tend not to have common ground when the talk turns to outlining

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the future of the Armed Forces. Nor could Menem and Cardoso sidestep the debate that the Pentagon's proposal prompted on the military front in each nation. Under this proposal, which was "resisted by U.S. congressional sectors," the Armed Fores would join in the battle against drug trafficking.

The issue has been around for quite some time. U.S. Defense Secretary William Perry had let his Latin American counterparts know about it during a meeting back in August in Williamsburg. It was mentioned during the Conference of American Armies in Bariloche and was brought up again by Walter Slocombe, the number two man in the Pentagon, during his visit to Argentina.

Discussion of the military's role in the battle against drug trafficking seems to be more traumatic for both Paraguay and Uruguay than for Argentina and Brazil. The political-institutional situations in each country have a decisive influence in this regard. The government of Juan Carlos Wasmosy, for example, seems to be caught in a real bind. Members of the old Stroessner faction, led by the former chief justice of the Supreme Court, Luis Maria Argana, have resurfaced in the governing Colorado Party. Moreover, the commander of the Army, General Lino Oviedo, is emerging with unmistakable political ambitions. The Wasmosy government thus seems unable to adopt the suggestions from Washington, which sees drug traffickers making dangerous incursions across the entire range of Paraguayan institutions.

Argentina and Brazil have decided to tackle the issue on their own. Ministers Carlos Corach and Oscar Camilion were in Asuncion last week. They both talked about the urgent need to establish a monitoring system at the Puerto Iguazu-Ciudad del Este-Foz de Iguazu border between the three countries, where there is an explosive combination of terrorists and drug traffickers. Cardoso commented on this to Menem during their summit. The three-nation border is presumably being used as the transit area between Paraguay and Brazil to bring in the sophisticated weaponry that the drug traffickers who have set up shop in the slums of Rio de Janeiro have shown they possess.

The Brazilian president's diagnosis was even more alarming. He warned that the drug traffickers in his country have already expanded into the heart of Sao Paulo, and that it would not be long, perhaps just a couple of years, before they begin landing in Porto Alegre. If this were to happen, they would be poised to enter Argentina.

The situation also looks complicated in Uruguay. The decision not to look into the illegal repression under the dictatorship enabled President Julio Maria Sanguinetti, both during his first term and now, to maintain a balance in his relations with the military that he in no way wants to upset. Thus, the issue is not just to decide whether to assign the Armed Forces a new function, but also, as Menem and Cardoso said, to adjust other political controls so as to prevent Uruguay from becoming entrenched as a favorite money-laundering haven.

The presidents of Argentina and Brazil have other problems to solve as well before redefining the roles of their armed services. Menem asserted after the summit that "for the time being" the military would not be involved in the battle against drug traffickers. There was a reason for this qualification: to leave an opening if the pressure from Washington becomes relentless. He also wants to wait and see the final stand that the High Command makes on this issue. What is more, the president will have to devise a way to bring together the wide range of differing views that a hypothetical military intervention has given rise to inside and outside the government.

Congress, including the ruling-party bloc, has voiced its steadfast opposition to a renewed, high-profile role for the Armed Forces, but there is a school of thought in the cabinet pushing in the opposite direction. Camilion contended in Brasilia a month ago that military involvement in the battle against drug trafficking is "inevitable." He was factoring in these two considerations: Brazil's gradual return to the status of Washington's favored interlocutor in the region, and the manifest desire of Brazil's military chiefs at least to supervise the battle against drugs.

Foreign Minister Guido di Tella is fond of simpler arguments. He leans decidedly toward not ignoring the advice from Washington so as not to upset "blood relations." Domingo Cavallo, in contrast, looks just at the numbers. Financial aid from the Pentagon to the armies battling drug traffickers, as General Brian McCaffrey promised, would tone down the military's ongoing complaints about inadequate budgets. If and when the minister manages to make headway with the second reform of the state, which he and Jorge Rodriguez are vying to control, he may also try to put the finishing touch on his idea by having the Navy and Army absorb the Coast Guard [Prefectura] and the Border Patrol [Gendarmeria]. The battle against drug trafficking would thus come within the orbit of the military, although a shift like this would require the prior approval of Congress.

Only in the Army has there been real controversy. For the time being the Navy is staying out of the picture,

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and the Air Force is convinced that it will be ready if it has to meet the challenge. General Martin Balza seems to favor a cautious approach, reflecting on what joining the battle against drug traffickers has cost the Armed Forces of Colombia and Bolivia, for example. He would presumably prefer a compromise: supervision, as his counterparts in Brazil are calling for. There are, however, generals in the top echelon of the Army who are pushing for its all-out involvement.

Cardoso was more categorical than Menem. He ruled out any military intervention, perhaps because the influences have gotten stronger there than here. Two details bear remembering. The Brazilian president is up against five military officers in his cabinet. The Armed Forces had their baptism of fire against drug traffickers during the government of Itamar Franco but had an encore under Cardoso in the Rio slums. Such interventions in internal-security matters depend on a presidential decision, not, as in Argentina, on a decision by Congress, which since 1983 has restricted military action.

Certain lessons of history that are still fresh explain this, and they resurfaced violently last week. Though it may be impossible to prove a cause-and-effect relationship, it seemed obvious that the commemoration of the 20th anniversary of the military coup grated privately on certain corners of society. Although they cannot be directly blamed for what happened afterwards, it is no less true that several institutional spokesmen, including General Mario Candido Diaz, did little to quiet them down. Since then there has been a string of threats and bombings the origin and goal of which no one has yet been able to determine.

The government was as powerless as always in coping with such situations. Statements were issued without rhyme or reason, thus largely nullifying the effort to reassure the public. Our intelligence networks once again showed how ineffective they are in discharging any task more ambitious than that of mere neighborhood spies. The evidence is there to see. To get itself out of a jam, the Secretariat for State Intelligence (SIDE) drafted a report about a purported group called the Revolutionary Organization of the People (ORP), using news clippings and drawing decidedly elementary conclusions. It referred to the group's "leftist" jargon and claimed connections in Uruguay. A police report was a bit more daring. It provided the noms de guerre of three purported ringleaders, claimed the organization was a splinter group from the Movement to Socialism, and also wound up mentioning a Uruguayan leader. These disoriented officials may now start inquiring across the river. They will ask Uruguayan intelligence, which the Armed Forces control, for details about the alleged activities of the ORP.

The confusion in officialdom reached its peak when a bomb was deactivated on the grounds of the Naval Hospital. The slogans attributed to the ORP sounded quite crude, and no one could explain why the people who planted the bomb were able to operate unimpeded near a building that had supposedly been under heavy guard ever since Police Commissioner Jorge Berges was taken there after he was attacked. Attempts were then made to blame paramilitary personnel, instead of leftist groups, as was initially attempted.

What was most striking about this episode was not the government's inability to at least limit the outbreak of violence, but rather the new trend in its escalation. It may be useful to ascertain whether the attack on Berges was an attempt to settle scores inside the police force or by an outside group. More importantly, however, we must realize that we have now jumped from the sort of harassment that has marked other cycles of violence in democratic Argentina to a criminal bombing that recalls those of the 1970's, and that could set the stage for unforeseen developments.

Bolivia

Bolivia: Rio Group Expresses 'Full Support' for Wasmosy

PY2304040896 Madrid EFE in Spanish
0214 GMT 23 Apr 96

[FBIS Translated Text] La Paz, 22 Apr (EFE) — The Rio Group today expressed its "full support and solidarity" with Paraguayan President Juan Carlos Wasmosy "in view of the threats against his legitimate authority."

Wasmosy decided to fire General Lino Cesar Oviedo from his post as commander in chief of the Army and the order was resisted by the military man. He declared that he was rebelling, thus placing institutional order in Paraguay in a crisis.

In a press communique, the Rio Group reiterated the commitment of all nations of the system to Paraguay's democratic process "with the conviction that democracy and constitutional order are the basis of peaceful coexistence in Latin America and the Caribbean."

The communique states that the Pro Tempore Secretariat of the Rio Group, which this year is exercised by Bolivia, expresses its repudiation "of all attempts against the legal order established in Paraguay."

Paraguay this year joined the "troika" of the Rio Group, which represents the highest application of the regional organization, along with Ecuador and Bolivia.

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Bolivia: OAS Official Supports Paraguayan President

PY2304061796 Buenos Aires TELAM in Spanish 0316 GMT 23 Apr 96

[FBIS Translated Text] La Paz, 22 Apr (TELAM-SNI)—OAS Secretary General Cesar Gaviria has shown solidarity with and his earnest support for Paraguayan President Juan Carlos Wasmosy in the face of the rebellious attitude of General Lino Cesar Oviedo, who today was removed from office as Paraguayan Army commander.

Gaviria, who is making a state visit to Bolivia, has reported that in the upcoming hours the OAS will analyze the situation confronting Paraguay. The OAS secretary general expressed his hope that the constitutional order will not be disrupted in Paraguay.

Gaviria declared: "You may rest assured that the OAS will use all the means at its disposal within the limits imposed by our charter to preserve democracy in Paraguay if at any moment it were to be restricted."

The OAS secretary general telephoned Wasmosy to offer him the cooperation of the OAS in preserving democracy in Paraguay.

Gaviria pointed out that, as stipulated in OAS Resolution 1080, he will urgently convene a meeting of foreign ministers "if for any reason, the constitutional system of government does not fully prevail in Paraguay."

Gaviria underscored: "I would like to reiterate my full support for the Paraguayan president, who may rest assured that he can count on the support of all the countries of the Americas, as has already been voiced by numerous presidents and foreign ministers."

The OAS secretary general noted that OAS Resolution 1080 provides that member countries commit themselves to supporting and showing solidarity with each other so as to prevent any disruption of their constitutional order. Gaviria went on to say that the resolution will be fully applied in the case of "the nascent Paraguayan democracy."

The OAS intervened in similar situations in Guatemala, Peru, and Haiti by taking recourse to the aforementioned resolution. Gaviria explained that the OAS's prompt action in Guatemala prevented a rupture of the constitutional order, whereas in the case of Peru, the reinstatement of the democratic system of government was possible thanks to an agreement with the OAS. With regard to Haiti, the OAS contributed to the recognition of President Jean-Bertrand Aristide.

Gaviria further stated that the OAS will make every effort to prevent any threats to the legal and institutional order in Paraguay in light of the recent events there.

The OAS secretary general made these remarks following a ceremony at the Bolivian Government House in which he presented Bolivian President Gonzalo Sanchez de Lozada with the Inter-American Leadership Award.

Bolivian Foreign Minister Antonio Aranibar, for his part, expressed on behalf of his country and of the Rio Group — the pro tempore secretariat of which Bolivia is exercising this year — his solidarity with the Paraguayan people and his wish that the situation facing Paraguay will soon be overcome.

"Following quick consultations with the different governments of the Rio Group member countries, I would like to express our endorsement of and solidarity with the constitutionally elected government of the sister Republic of Paraguay and its President Juan Carlos Wasmosy," said Aranibar, who was accompanying the OAS secretary general.

The Bolivian foreign minister expressed his conviction that respect for the legal and institutional order of each country in the Americas constitutes the basis for coexistence among all of them.

Bolivia: President Telephones Wasmosy To Express Support

PY2304050996 Madrid EFE in Spanish 0338 GMT 23 Apr 96

[FBIS Translated Text] La Paz, 22 Apr (EFE)—Bolivian President Gonzalo Sanchez de Lozada today telephoned his Paraguayan colleague, Juan Carlos Wasmosy, to express his solidarity in view of the rebellious attitude of the fired commander in chief of the Army, General Lino Oviedo.

Sanchez de Lozada reported that Wasmosy expressed his hope that the situation would be resolved within the next few hours and that he also said that the rebel general has only the support of a small sector of campesinos.

"I have spoken with President Wasmosy to express my solidarity and the solidarity of the Bolivian people. He told me that it is not a coup d'etat but rather a confinement to barracks of General Oviedo, who refuses to accept the resolution that relieves him from his post as commander in chief of the Army," the Bolivian president said.

Sanchez de Lozada explained that Cavalry Day was celebrated today and that the celebration coincided with

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the resolution to relieve Oviedo from his command, which was signed by Wasmosy.

He explained that General Oviedo "confined himself to barracks" with the demand that the presidential resolution be annulled and that he can count on the support of a group of campesinos that supported his intention to become the Colorado Party presidential candidate.

"I believe that the most important thing to highlight is that it is a question of just a reduced group of campesinos that support General Oviedo. I do not know whether he has the support of the Armed Forces, but the president of Paraguay has told me that most of the people support his government and constitutional order," he said.

"President Wasmosy told me that he had made this decision (to fire Oviedo), and he stressed that he is going to stand by his decision and that he will demand that the general leave as Army commander in chief," said Sanchez de Lozada, who indicated that the Paraguayan president is in good spirits although concerned about events.

The Bolivian president also indicated that he had placed a plane at the disposal of former Colombian President Cesar Gaviria, secretary general of the OAS, so that he can travel to Paraguay if he decides to cooperate with the sister nation. He added that President Wasmosy told him that this action will not be necessary because he hopes that the situation will be resolved during the next few hours.

Bolivia: Workers' Conflict Resolved; National Strike Over

PY2204140096 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 22 Apr 96

[FBIS Translated Text] Representatives of President Gonzalo Sanchez de Lozada's government have said it would be regrettable if the workers were to withdraw support from the current COB [Bolivian Labor Federation] leadership for signing a salary agreement to end the climate of social upheaval within the country.

Social Communications Minister Guillermo Richter said the labor federation — which is headed by Oscar Salas, Juan Chavez, and Carlos Camargo, among others — showed consistency and seriousness when it decided not to put their salary problem above other national concerns.

Richter said the current COB leadership responsibly represents workers. COB has been consistent in its principles. The agreement contains a paragraph which states that the COB expressly disagrees with the capitalization of YPFB [Bolivian Government Oil Deposits], Vinto, and other public companies.

The government spokesman said the labor leadership maintains the unwavering defense of what they believe are the Bolivian people's interests. No one lost or won anything, Richter said, insisting that this was the only way out of the problem for both groups, which have been involved in a confrontation for over a month.

Richter said the agreement confirms that the COB is a permanent promoter of the country's democratic tradition. The official said the next government priority will be to persuade workers that the capitalization of YPFB is good for the country and will continue to maintain this channel of dialogue.

Thus far, even the workers who appeared as the most radical opponents of the process were only able to change one item on the transfer of refineries to foreign hands.

The climate of conflict ended automatically after the signing of the document over the weekend, granting the workers the 2,400 bolivianos that the COB demanded as a family earning. They are assured of a 9 percent salary increase — and 13 percent for the teachers.

Brazil

Brazil: President Cardoso Cancels Visit to U.S.

PY2304124596 Sao Paulo AGENCIA ESTADO in Portuguese 0023 GMT 22 Apr 96

[FBIS Translated Text] Brasilia, 22 Apr (AE) — President Fernando Henrique Cardoso will not visit Washington as scheduled on 15 May. Although it had not been officially confirmed by Itamaraty, the visit was being considered behind the scenes. Planalto Palace spokesman Sergio Amaral today said: "The visit is not yet arranged, and the president is not inclined to make it." Amaral declined to say if the president canceled the visit to avoid negative repercussions following the massacre of landless peasants in southern Para State.

Brazil: Foreign Ministry on Possible Coup in Paraguay

PY2304005496 Sao Paulo AGENCIA ESTADO in Portuguese 0026 GMT 23 Apr 96

[By Renato Soares]

[FBIS Translated Text] Brasilia, 22 Apr (AE) — The Brazilian Foreign Ministry, Itamaraty, today informed the Paraguayan Government and Army Command of Brazil's concern with regard to the possibility that Paraguayan military officials will promote a coup d'etat,

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overthrowing President Juan Carlos Wasmosy. "Neither Brazil nor any neighboring country will allow the democratic stability in the region to be broken," said Acting Foreign Minister Sebastiao do Rego Barros today.

Two days ago, President Wasmosy wanted to order the retirement of Paraguayan Army Commander General Lino Oviedo, but he did not manage to do so. Gen. Oviedo said that he will resist, and he remained in his post. According to Barros, President Fernando Henrique Cardoso is maintaining permanent contact with President Wasmosy to learn about the Paraguayan political situation.

Brazil is also maintaining contact with the Governments of Uruguay and Argentina to increase the pressure on the Paraguayan military. Early this evening, diplomatic sources indicated that if a military coup took place in Paraguay, Brazil and Argentina would close their borders, isolating the country.

The situation in Paraguay is complicated because the Army is divided in its support for President Wasmosy. The crisis increased after several corruption charges against the government were made public. The opposition accuses Wasmosy of benefiting a construction company that belongs to his family in important public bids. The crisis also deteriorated as a result of the great dissatisfaction with the government experienced by some sectors of society, especially agricultural producers and businessmen.

Farmers complain that Paraguay's integration into Mercosur [Common Market of the South] has seriously harmed Paraguayan farming — which must now compete with Brazil and Argentina. The businessmen have yet not assimilated the new trade rules imposed by Brazil in the border. Brazil has reduced the limit on tax-exempted purchases in Paraguay from $500 to $150.

Some Paraguayan military commanders allegedly attribute Brazil's decision to reduce the tax exemption quota to $150 to Wasmosy's own weakness. They are also allegedly reviving the disagreements that exist between Brazil and Paraguay over the price paid by Brazil for the electricity produced by the binational hydroelectric plant of Itaipu.

It was learned this evening that Gen. Oviedo was gathering with his troops, preparing a military coup. Oviedo was recently scolded for promoting political rallies in the interior of the country. He wants to run in the 1998 presidential elections.

Brazil: President Orders Study To Create National Guard

PY2304113696 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 22 Apr 96

[Live report by Luis Alberto Mendonca in Planalto Palace]

[FBIS Translated Text] President Fernando Henrique Cardoso met recently with Chamber of Deputies President Luis Eduardo Magalhaes, Senate President Jose Sarney, and Federal Supreme Court, STF, President Sepulveda Pertence. Cardoso has decided to study the creation of a national guard to, among other things, mediate in conflicts between military and civilian police forces, which may take place in anywhere in the Federal Republic.

When collective conflicts take place — like the one recently in Para State — the military police usually side with one of the disputing party and cease to be impartial.

The study will be coordinated by Justice Minister Nelson Jobim who is currently briefing the media here in Planalto Palace. He will talk with Congress leaders and Federal Supreme Court justices.

President Cardoso, the STF president, Chamber of Deputies president, and the Senate president, have decided to enhance the voting of agrarian reform bills. They also decided to give urgent treatment to a draft bill that transfers the trials of military policemen to civil courts when they commit crimes against civilians.

Finally, President Cardoso ruled out the idea of placing the INCRA [National Land Reform and Settlement Institute] under the control of the presidency of the Republic. It will continue to report to the Agriculture Ministry.

Brazil: Protesters in Bahia Interrupt Cardoso Speech

PY2304113996 Sao Paulo AGENCIA ESTADO in Portuguese 2123 GMT 22 Apr 96

[By Tania Monteiro]

[FBIS Translated Text] Porto Seguro, Bahia, 22 Apr (AE) — President Fernando Henrique Cardoso today condemned the use of the massacre of landless peasants in El Dorado do Carajas, Para State for political purposes. Speaking from a stand in Porto Seguro (Bahia State) during celebrations held to commemorate another anniversary of the discovery of Brazil, Cardoso said: "This is not a time to take advantage of corpses." Annoyed by a demonstration staged by members of the Landless Peasants Movement [MST], Cardoso added:

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"This is a time to cry over those corpses and to prevent similar incidents in the future."

Cardoso said: "This is a time for everyone to assume his share of responsibility and, instead of taking advantage of such incidents to put the blame on innocent parties, let us all assume our share of responsibility for having failed to engage in talks, and for failing to meet the needs of those people." He promised to expedite the agrarian reform to distribute land to those who farm it, but not to agitators.

A tense atmosphere took hold of the ceremony, which was dominated by MST members but which also included students and Pataxos Indians. They were all strategically positioned across from the official stand where the president and his entourage were standing, with the acquiescence of the presidential security personnel. The demonstrators, who were waving flags and banners against the administration, virtually did not let the president speak. Positioned next to the stand, the demonstrators booed the president and shouted slogans against his administration.

In an attempt to reverse the situation, Cardoso started his speech by responding to the demonstrators. He urged everyone to join in giving "the same shout that this a small group of people that is shouting here: Justice in Brazil; justice and democracy!" It was useless. They continued to boo him and to shout slogans calling for an agrarian reform now.

Cardoso promised to expedite agrarian reform. He said: "We would like to have a Brazil where everyone would have a job, where a piece of land would be given to those who will farm it and not to those who will just go there to foment agitation." He added: "We should give land to he who will use it to support his family through hard work, but not to those who are seeking to exploit the tragedy of a few to benefit small organized political groups."

Contending that everyone should assume his share of responsibility in the massacre, Cardoso said that the burden of everything happening in Brazil, "whether right or wrong," is falling on his shoulders.

The president provoked the rage of the demonstrators by twice describing them as "poor people" and by referring to them as "a handful of people who do not know what they are talking about." Cardoso added: "They are lost and they are not aware that a large number of Brazilians have found their path."

To expedite agrarian reform, the president said, it is also necessary that the laws be amended, and he urged lawmakers to approve the proposals submitted by his administration to expedite expropriation procedures. Cardoso also referred to the Pataxos Indians, who were also demonstrating for the demarcation of their land. The president said that new demarcations will be carried out, but made it clear that Brazilian indigenous populations already own 11 percent of Brazilian territory. He said: "No other country in the world has done that." He said that Indian reservations in Brazil are larger than Peru and represent half of Mexico. Furthermore, he said that the Ianomamis — whose land has already been demarcated — own an area larger than that of Portugal.

Cardoso said that the indigenous population today is growing at a much faster pace than the Brazilian population. Less than 100 Pataxos Indians wearing war paint attended the demonstration and delivered an open letter to the president urging the demarcation of their land.

Brazil: Security Officials Oppose Military Antidrug Action

PY1904031996 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Apr 96 p C9

[Report by Ronaldo Soares]

[FBIS Translated Text] Rio de Janeiro — The heads of public security organs of southeastern states do not support President Fernando Henrique Cardoso's plan to make the Armed Forces join the drug enforcement effort. During a meeting on 17 April in Rio de Janeiro, the members of the Security Council of the Southeastern Region (Condeste) criticized the president's proposal to make the Armed Forces and the Federal Police jointly implement the National Drug Enforcement Program of the Justice Ministry.

"I believe it is very dangerous to make the Armed Forces render a police service. They were not trained for that," said Sao Paulo Security Secretary Jose Antonio da Silva. General Nilton Cerqueira, public security secretary of Rio de Janeiro, also opposed the idea. "The Armed Forces are not trained to fight drug trafficking and have no experiencce in such actions."

Condeste President Santos Moreira Silva, the Minas Gerais security secretary, advocated the training of the police intelligence service personnel by the Army, Navy and Air Force. He said the police "must be more technical and scientific."

Results

Santos Moreira said that the results of the first "Condeste Operation" were "highly positive." The Condeste Operation is the name given to a joint action undertaken at the end of March by the civil, military, and highway police for control of southern state borders. He said some

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100,000 persons and 57,000 cars were cheked during the operation. The largest drug seizure — 200 kg — was reported in Rio de Janeiro.

During the meeting on 17 April, Condeste members discussed the details of the next operation that the council will sponsor in May, and the future of the council. According to Santos Moreira, a priority for Condeste is to promote integration between the states of the region through computerized registry systems in the areas of criminal and civil actions and stolen vehicles.

Gen. Nilton Cerqueira announced that his state government is designing a plan for social occupation of the Acari area ghettos, in northern Rio de Janeiro.

Brazil: Cardoso Addresses PSDB Convention in Brasilia

PY2304113796 Brasilia Radio Nacional da Amazonia Network in Portuguese 1421 GMT 20 Apr 96

[Address by Brazilian President Fernando Henrique Cardoso to the Brazilian Social Democracy Party convention at the Chamber of Deputies hall—live]

[FBIS Translated Excerpt] I would like to thank the Brazilian Social Democracy Party [PSDB] and its members and leaders who are here. This event, as has already been said, reiterates the attitude of a party that is different. [passage omitted]

I cannot accept the massacre that occurred two days ago. Such things do not happen in a decent country, and they are unacceptable for all countries. [applause]

I cannot accept it, and I cannot accept the attitude of those who want to transform this tragedy into a minor political incident. No, it is a serious social incident, not a minor political event. No.

You very rightly applauded Para Governor Almir Gabriel. I am sure that he shares our position and that he — as Senator Villela said — was betrayed by archaic structures. [applause]

This will not lead us to fold our arms or to forgive. There can be no forgiveness for a massacre.

I would like to reiterate an appeal to the country, here from this PSDB convention. If there is an actually archaic structure, if there was an unacceptable massacre, let us stop using those facts to promote division and hinder the resolution of problems even further.

Let us effectively — with goodwill and in good faith — discuss what can and what cannot be done, noting also that the law has to be respected and that indiscriminate violence causes more violence, none of which can be justified. There are bases for reaching an understanding. I yesterday made an appeal to a delegation of deputies who came to see me. Deputy Jose Anibal is here. Among them were deputies of the so-called opposition. What I expect is that they do not side with the opposition that is permanently against Brazil. I expect them to oppose government action, but not to oppose Brazil.

If the opposition is not against Brazil, it will be possible to see things for what they really are. We do have to modify the future of the rural sector. The government does have the political will to do this. An average of 16,000 families a year have been settled in Brazil. The leader who settled the largest number of families, in the 1980's, settled over 30,000 families. In 1995, we settled 42,000 families. This year we will settle 60,000.

I cannot make a commitment to a project that is not my own, settling more families than....[changes thought] Actually, it is not a matter of funds. Last year, the INCRA [National Land Reform and Settlement Institute] returned 2 billion reals [words indistinct] that it did not use.

Yet disinformation has made some people claim that INCRA's expenses have decreased. This is not true. They are not decreasing. INCRA is only returning the funds that it could not use. It could not use them because the administrative machine has remained stagnant, because no administrative reform has yet been approved to fire bad employees [words indistinct] [applause]. Public employees must serve the people; they are not supposed to come here to make corporate noise.

Yet there are many upright, decent employees who must be recognized, backed, and properly used.

It is true that there is inefficiency that we have inherited but with which we do not want to coexist. Those who shout against the reform want it, they want to keep the archaic structure of Brazil.

It is also true that courts have deficiencies. The blame, however, is not to be put only on the judicial branch. Congress is studying bills that I support and which seek to expedite expropriation. Where are those bills? Have they been approved? In those bills, which I support, I ask the military courts to no longer adjudicate the type of crimes that occurred in Para. In Para [words indistinct].

The Justice Ministry is also planning to place those crimes under federal jurisdiction, because both the country and the president pay for the crime in the eyes of the world, despite the fact that the president does not participate in the decision, punishment, trial, or any step of the process.

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If someone wants to claim something from the federal government, the appropriate instruments must be given to the federal government.

I made an appeal to hold a meeting with the presidents of the Supreme Court and the legislative branch, not to attack each other but — on the contrary — to unite and to engage in a dialogue with whomever is not waving a political flag, with whomever is not merely trying to create more difficulties, with those who really [word indistinct] land, so that we may accelerate the solution.

Now I believe there is something that is undeniable. Either those who are responsible are immediately punished and sent to jail, or no one will ever again believe in this country. It is high time to punish. [applause]

I am not in favor — and in my capacity as president and as democrat I cannot favor — those who break constitutional order. I will not do that. Yet I will give my word of support to take strong action, [words indistinct] immediately dismissing those responsible, and arresting those who can be arrested through administrative action.

This is a new attitude in Brazil. It is not revenge, nor is it a matter of identifying who can be blamed. We know that it is the process at large which is to blame, as I said, but this process has to change.

Brazil: Agriculture Secretary Fernandes Acting Minister

PY1904123696 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 19 Apr 96

[FBIS Translated Excerpt] President Fernando Henrique Cardoso confirmed Jose Eduardo Andrade Vieira's resignation as Agriculture Minister. During a reception at Itamaraty Palace last night in honor of Minas Gerais State, the president said he received a phone call from Andrade Vieira early in the evening. Cardoso denied he is promoting a cabinet reshuffle. [passage omitted]

The president said Andrade Vieira's resignation is an exception and is prompted by technical reasons. [passage omitted]

Agriculture Ministry Executive Secretary Ailton Marcelo Fernandes will be acting minister until a minister is appointed. It is expected the new agriculture minister will come from the Brazilian Progressive Party of Esperidiao Amin and Paulo Maluf.

Brazil: Single Foreign Trade Draft Bill Under Study

PY1904032096 Sao Paulo GAZETA MERCANTIL in Portuguese 17 Apr 96 p A4

[Report by Livia Ferrari]

[FBIS Translated Text] Brazil is heading toward a single foreign trade law that will replace the more than 150 regulations that currently orient (or disorient) Brazilian foreign trade. The draft bill is ready and will be presented to entrepreneurs as of this week. Today it will be debated at the Rio Grande do Sul State Federation of Industries (FIERGS), and tomorrow at the Sao Paulo State Federation of Industries (FIESP).

The bill was drafted by the Central Foundation for Foreign Trade Studies (Funcex) at the request of the Ministry of Industry, Commerce and Tourism. The draft, however, will be open to suggestions, which will come from the debates with industrial organizations and associations. The government, however, expects the bill to be submitted to Congress by the end of the first half of the year.

In addition to simplifying and consolidating the current 150 regulations, the bill provides for instruments to make foreign trade policy and foreign trade action compatible with the new globalization context, and with the international commitments that Brazil assumed within the WTO, LAIA [Latin American Integration Association] and Mercosur [Common Market of the South].

The bill takes into account the fact that the exaggerated number of regulatory and executive norms caused a double negative effect in the sector. At the government level, it caused distortion because of interpretation difficulties, overlapping of functions and lack of coordination between the countless organs involved with foreign trade. In the private sector, the excessive number of norms increased cost, made decisionmaking more difficult, and reduced competitiveness. The bill aims at making foreign trade more fluent through better knowledge of rules, duties and rights.

Among the new features, the bill proposes the elimination of the federal taxes burdening Brazilian exports. The bill also advocates creation of an Export Financing Fund (Funfex), with previously defined financial sources, to support programs for modernization and expansion of goods and services' sales abroad. Funfex will be created with government funds and with funds obtained by the bank network from the local and foreign markets.

Concerning imports, one of the proposals with stronger impact is the reduction of the Freight Tax for the

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Renewal of the Merchant Marine. In compensation, Brazilian importers will pay a non-fiscal contribution in order to finance the expensive commercial defense processes (anti-dumping, anti-subsidies or the adoption of safeguards).

The bill notes that the commercial opening process demands the reorganization of the foreign trade institutional system. In this regard, the bill will strengthen the Foreign Trade Secretariat (Secex), providing it with the organization and personnel that it will need as the main foreign trade organ. The bill will also create a customs control department, which will be an independent organ with highly skilled personnel to fulfill the new functions within the context of the commercial opening. This way, rather than being a taxation policy instrument, the customs service will be a foreign trade policy instrument. "Secex and the Customs Control Department must have highly skilled personnel, working with fine tuning," the drafts says.

Chile

Chile: Minister Says Economy To Grow 6.5 Percent in 1997

PY2204191096 Santiago EL MERCURIO in Spanish 18 Apr 96 pp B1, B5

[FBIS Translated Text] Finance Minister Eduardo Aninat said the new record of investments, estimated at 28 percent of the GDP for this year, will allow Chile to reach an economic growth similar to the 6.5 percent estimated for this year as of 1997.

Aninat, referring to the natural slowdown that industrialized economies experience after a period of great expansion over three or four years, said that when the economic authorities plan the coming year they will do so with a certain degree of caution.

Domestically speaking, however, he said the situation is extremely optimistic because the adjustment started in November and increased in April, and because of this we will probably start to see the results in the coming months. This means we will "probably not need to make an adjustment during 1997."

The minister, addressing a seminar organized by the National Chamber of Commerce, referred to the competitive level reached by Chile. Answering questions, Aninat denied disagreements with the Central Bank, stating that the measures implemented by that institution are fully endorsed by the Finance Ministry.

He said the Central Bank's decision to implement a more flexible exchange rate policy is a sign that progress is being made in the right direction, that is, to gradually integrate the informal exchange market with the formal market and to gradually reduce a series of control measures and red tape, among them registries and certificates the people needed to purchase foreign currency in the formal exchange rate for specific purposes.

He recalled that a more flexible policy has been implemented for reimbursements on exports [retornos por exportacion], in addition to a series of measures implemented in the banking and financial sector which will now benefit private individuals.

Aninat said these measures, as well as a partial increase in interest rates implemented by the Central Bank early this month had the necessary information, approval, and support of the Finance Ministry.

Tacitly referring to differences of opinion with Central Bank President Roberto Zahler regarding the duration and intensity of the adjustment, Aninat said it is only right and reasonable that minor differences and "subtleness" exist, but explained that if the Central Bank's priority objective is to curb inflation it shares that objective with the Finance Ministry which represents a political government that should have information on the greatest quantity of variables, not just inflation, on its screen.

He also referred to economic growth, the distribution of income, employment, unemployment, and sectorial issues; subjects on which differences with the Central Bank are minimum. He said: "The way we have been handling things with the Central Bank Council, with its president, and with the Finance Ministry is really optimum."

Aninat said the great degree of consensus in Chile regarding the economic policy is one of the reasons for the progress the country has experienced. He added that this consensus is here to stay.

He later referred to the gradual steps that have been taken to open the capital account, and said the Finance Ministry is seeking ways to establish a special market for the quotation of shares and bonds issued abroad, similar to those countries where ADR's [American Depositary Receipts] are quoted. This will allow Chilean investors to diversify their portfolio.

He disclosed that, during the second half of the year, the government intends to negotiate five or six agreements to avoid double taxation with Germany, Mexico, Sweden, the United Kingdom, Malaysia, and Canada.

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Chile: UCCP President's Resignation Causes Party Crisis

PY2204150696 Santiago EL MERCURIO in Spanish 17 Apr 96 p C3

[FBIS Translated Excerpt] Another center-right party is in crisis: This time it is the Progressive Center-Center Union [UCCP]. The crisis ensued when the UCCP president and some of the party leadership resigned. There is no confusion as to how the party can achieve an electoral pact and be united for the municipal elections.

The National Renewal [RN] is the other rightist party facing internal problems. UCCP President Angela Vivanco tendered her resignation because she believes the UCCP is trying to isolate the RN. UCCP Vice President Enrique Schilling, UCCP Vice President Sergio Contreras, and UCCP Secretary General Jose Santelices have also resigned.

An official statement issued by the former UCCP leaders states that instead of promoting an integration of the center-right, over the past few months the UCCP has upheld an isolationist position. The statement adds: "Party objectives were more directed toward division rather than the unification of the center-right."

They also believe a leftist government is a real threat to the country. They allege that the latter "has become more likely in view of increasing support for Public Works Minister Ricardo Lagos. The best way to compete with the opposition is not by rejecting the Chilean center-right through an isolation of the main opposition party, the RN."

The RN, which condemned the campaign promoted by the center-right to isolate it, has praised this statement.

Moreover, the Independent Democratic Union [UDI], which promoted the entry of the UCCP in the Union For Chile opposition pact, denied that the UCCP and UDI are seeking to break the pact.

The Union for Chile pact was reactivated during the past few days, but only with the participation of these two parties. [passage omitted]

In view of Angela Vivanco's resignation, Jorge Concha assumed the presidency of the UCCP and Carlos del Campo assumed as chairman of the party's political committee. [passage omitted]

Chile: Size of Informal Retail Economy Viewed

96SM0210A Santiago EL MERCURIO in Spanish 19 Mar 96 p B3

[FBIS Translated Text] A study of the informal retail economy conducted by the National Chamber of Commerce revealed that sales associated with this illegal activity totaled approximately $900.7 million in 1995 and caused heavy losses to the national treasury and the municipalities and serious harm to the established merchants, who pay their taxes and social security assessments.

In announcing the results of the study, the president of the Chamber, Alfonso Mujica, urged the authorities to confront this problem in a decisive manner. According to the survey, a total of 348,270 informal merchants were operating in the nation last year, 65 percent of whom were young adults who are heads of households and have completed their secondary school studies.

The average income of the informal merchants was 85,232 pesos per month, although approximately 40,530 of their number earned more than 200,000 pesos per month.

It is estimated that the national treasury and the municipalities lost approximately $128.1 million pesos last year because of the existence of the informal economy. For the five-year period 1991-1995 these losses totaled $423.7 million—a sum that according to Mujica would have enabled the state to build 51,793 public housing units or 184 medical clinics.

The difference between the total sales in the informal economy and the cost in terms of lost fiscal revenues amounted in 1995 to $772 million and represents the sales lost by the established merchants because of the existence of the informal merchants.

Mujica said that some of the merchandise in the informal retail market is contraband and some comes from unscrupulous traders who supply these products to the informal merchants. This is not activity on an individual basis: the informal merchants work as "illegal employees" for certain persons, as is obvious from the fact that five minutes after it starts to rain, the downtown area of the capital is inundated by people selling umbrellas who obtain their merchandise from a truck.

The Chamber of Commerce president expressed the need for reducing taxes, because high taxes provide an incentive for tax evasion such as is practiced in the informal economy. The informal merchants do not pay the 18 percent VAT, the 15 percent utility tax, license fees, or social security assessments and therefore make twice the profit that the established merchants are able to make. Mujica also indicated that he favored penalizing the buyer as well as the seller, as has been done in many parts of the world.

The purpose of the study—which was made by the Chamber's research department—was to analyze the

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overall reality of the merchants who operate illegally or on the margin of the existing regulations.

Mujica commented that the 348,270 informal merchants who operate in the country are "future indigents," because they have no social security and will be unable to receive pensions.

According to the study, sales in the informal economy totaled $537.9 million in 1991, at a cost to the national treasury of $72.2 million in taxes and municipal fees that were not paid.

Chile: Editorial Views Fruit Export Problems

96SM0210B Santiago EL MERCURIO in Spanish 21 Mar 96 p A3

[Editorial: "Fruit Exports"]

[FBIS Translated Report] Toward the end of February there was a reversal of the downward trend that had been recorded in the volume of fruit exports during the first five months of the current season, thereby confirming reports that this year's poor crop yields were limited to the northern zone.

Prices have accordingly declined, even though they were at first significantly better than those of the previous year, perhaps because of the smaller quantity of fruit exported. Expectations for the rest of the season are uncertain, and it is probable that fruit prices during that period will be the same or slightly lower than they were in the 1994-95 crop year.

On the basis of these facts, it is possible to conclude that fruit exports—which had increased rapidly until 1991—will remain virtually stagnant this year, as they have been during the past four years.

Expressed in dollars, the average growth in the returns from fruit exports during the past four years has been only 2.3 percent, barely enough to compensate for the devaluation of the U.S. currency. In this scenario—which as we know has involved the stagnation of foreign exchange earnings—the growers have had to cope with an increase in real wages that in terms of foreign exchange has averaged 11 percent in each of the past four years.

These figures demonstrate the real situation of the growers of fruit for export, an activity that is very labor intensive. If to this you add the higher administrative costs entailed by the necessity of keeping books of account and passing the inspections—which at times are excessive—that are carried out pursuant to the labor and tax laws, it is obvious that only those orchards that have achieved significant increases in productivity have been able to survive.

The narrow margins of profit—when profits exist—have obliged the growers associated with Fedefruta (Fruit Growers Federation) to make a careful study of the process of marketing abroad, which is the responsibility of the specialized companies that are grouped together in the Exporters Association. The Fedefruta study led to disclosure of the discrepancies that have been made public and have caused a continuing chill in relations between the two trade associations.

There is no doubt that the growing of fruit for export—which was one of the most dynamic sectors of our economy in the decade of the 1980's—is experiencing serious difficulties; and perhaps this will serve as a warning for other sectors that are observing a deterioration in their own competitiveness.

The challenge to our economic policy is to ensure that our export trade will not only survive but possess sufficient dynamism to stimulate the rest of the nation's economy and sustain a high rate of economic growth. In the present circumstances, this seems possible only if there is a steady increase in productivity—an urgent task from which those in charge of economic policy cannot remain aloof.

In the financial area, efforts must be redoubled to ensure that interest rates do not continue to be so greatly at variance with those of the developed countries, in consideration of the fact that according to some international rating services, our level of risk has been reduced significantly. In the fiscal area, the reduction of taxes—and in particular the reduction of tariffs—must be undertaken with special urgency, in view of the size of the national budget. And in the area of labor relations, the uncertainty caused by the bill to amend the Labor Code must be dispelled quickly.

Chile: Editorial on Controversy Over Draft

96SM0210C Santiago LA NACION in Spanish 19 Mar 96 p 5

[Editorial: "The Debate on Military Service"]

[FBIS Translated Text] How many sons of high-ranking officers of the Armed Forces are currently fulfilling their military service obligation? No statistics are at hand, but there is reason to believe that very few are. And how many sons of members of Congress, cabinet ministers, businessmen, and judges? One could make a statement of this kind with almost complete certainty.

A study of the social origin of the draftees would show that the SMO [Compulsory Military Service] has become an obligation that is fulfilled almost exclusively by the low-income sectors of the population—for whom the law is unyielding—and in particular by the young

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men of the rural areas and urban working-class districts, whose families do not have contacts to obtain exemptions for them.

The debate concerning the future of the military service obligation cannot avoid reality. Experience demonstrates that when it comes to the draft, the concept of equality before the law is, strictly speaking, pure rhetoric. If this is the way one proves his patriotism, and if only one out of four Chileans performs his service obligation, does that mean that 75 percent do not love their country?

The Ministry of Defense has said that the government's agenda does not include any initiative concerning the SMO, which will remain the same as currently established by law. For their part, the FFAA [Armed Forces] regard retention of the draft as essential for meeting the needs of national defense, although they remain willing to consider perfecting it.

In any case, the opinion of those who believe that the concept and structure of the military service are in crisis cannot be ignored. Some go farther and call for resistance to the draft, and this cannot fail to be a source of concern to the authorities. One must act very responsibly in dealing with this issue. Appeals to violate the law are not the right course to take and could put the nation in a very dangerous situation.

What needs to be thoroughly debated are the differing opinions concerning the importance of "the military" in the life of our country. There is a tradition that compels observance, to be sure, but societies are obliged sometimes to revise their institutions. Of course, there is no reason to believe that the alternatives for Chile are limited to having a professional army or retaining the SMO as it is today.

It is advisable to listen to the objections formulated by the young people's political organizations. These are concerns that express the sentiments of thousands of young men vis-a-vis an institiution that most of them believe stands in contradiction to their personal development. They object, among other things, to the nature of the tasks performed by the recruits. Of the 14 months of their conscription, only six are devoted to military training properly speaking, and the remainder are occupied by the so-called barracks life: Sentry duty, spit-and-polish, painting the premises, cutting the grass, running errands, and so forth.

In recent years there has been an increase in the percentage of young men who do not sign up at the recruiting stations or who sign up but fail to report for induction, despite the fact that both situations are punishable by law.

During the debate in the Chamber of Deputies it has been proposed that military service incorporate the concept of voluntary service to the extent possible. This could be a good starting point for defining a new conceptual framework with regard to conscription. The least realistic course would be to deny the evidence that if not now, perhaps tomorrow, the terms of the military obligations must inescapably be revised, as part of a defense policy that aspires to attract a broad national consensus.

Chile: Party Youth Leaders Campaign Against Draft

96SM0210D Santiago EL MERCURIO in Spanish 22 Mar 96 p C7

[FBIS Translated Text] A national campaign to collect signatures in opposition to compulsory military service was announced yesterday by the presidents of the youth organizations of the Party for Democracy [PPD] and the Socialist Party [PS].

They explained that this campaign—which begins today—also has the support of the Commmunist Youth and Christian Democratic Youth [JDC] organizations.

The subject has been debated extensively by the young people of the different political parties. The debate within these organizations of the Coalition [of Parties for Democracy] revolves around the alternatives of introducing conscientious objection, eliminating the obligatory nature of military service, and introducing an alternative type of service. As for the opposition, both the UDI [Independent Democratic Union] and the RN [National Renewal] favor retention of the draft, although the RN has appeared to lean toward professionalization of the Armed Forces.

The young people of the government coalition are focusing their criticism on the alleged human rights violations that are reportedly occurring within it, and they also criticize the loss of time represented by the two years of training. Moreover, the Socialist Youth organization urged young people to disobey the draft summonses—a proposal that was rejected by the political parties.

The commander in chief of the Army, General Augusto Pinochet, rejected these objections because he regards them as "humbug." Moreover, both Defense Minister Edmundo Perez Yoma and the under secretary of War, General Jorge Burgos, stated that the government will make no change of any kind in the system.

In its turn, the Committee on Defense of the Chamber of Deputies voted to maintain the obligatory nature of military service, inasmuch as it believes that this

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system is useful for supplying the quantity and quality of personnel that the FFAA [Armed Forces] need in order to carry out their mission of national defense.

Vicente Garcia of the JS [Socialist Youth] declared yesterday that young people are tired of having politicians ignore their demands. He said the government should acknowledge that there is a problem and that it has not dealt with that problem adequately. He asked government authorities for an explanation of what the policy regarding military service is in actual practice.

Garcia said he thought it was a serious matter that the defense minister "is not able to show his face in Congress." He was referring to the postponement of the session of Congress that was to have taken up the subject. He explained that in view of the minister's absence, the PS and PPD had requested postponement of the session, which will now be held on 3 April.

The head of the JPPD [Party for Democracy Youth], Mario Gebauer, rejected the statement by the director general of National Mobilization, General Javier Salazar, who advocated penalties such as doubling the period of conscription, imprisonment, or creation of a criminal record for those who are called up and fail to appear at the barracks.

As for the summons issued by the commander in chief of the Army against JDC President Nolberto Diaz for the alleged crime of slander, the president of the PPD organization alleged that the Army is attempting in this way to silence them so that they will not continue to fight for a freer Military Service in which the rights of the young recruits would be protected.

Vicente Garcia explained that the quarrel is with the policy of the Chilean FFAA, who in his opinion are forgetting that in this country there is freedom of speech and that young people have the right to say what they think and to fight for their demands.

Chile: Comptroller Reports on Esval 'Irregularities'

96SM0211A Santiago EL MERCURIO in Spanish 20 Mar 96 pp A1, A12

[FBIS Translated Text] Seven former executives of Esval [Valparaiso Sewage Enterprise] have been charged with administrative irregularities in the construction of the Valparaiso sewage system, according to the final report of the Comptroller's Office.

Details of the report were made public yesterday by Nelson Avila (PPD [Party for Democracy]), the chairman of the Chamber of Deputies committee that is looking into the case.

According to the report, the executives in question are Manuel Llanos, former general manager of Esval; Pedro Deantas, former chief of the construction department; Adolfo Andrade, former general manager; Luis Cornejo, former operations manager; Manuel Alvarez, former engineering manager; Jorge Montero, former auditor; and Luis Mancilla, former development manager.

Deputy Avila indicated that the comptroller's report establishes only administrative liabilities. It will thus be up to the appropriate courts to define any civil and criminal liability. To this end he will make the background information in the report available to the sixth court of Valparaiso and the State Defense Council.

In revealing their names yesterday, Avila indicated that the Comptroller's Office was able to file charges only against Luis Mancilla and Luis Cornejo, since they were the only ones who still had a contractual relationship with the enterprise at the time the investigation was conducted, the others having left at various times.

The Comptroller's Office began its inquiry in July of last year, after the Valparaiso Regional Comptroller's Office determined that irregularities and negligence in the awarding of contracts and in the construction of the city's sewage system ought to be investigated.

To carry out the project Esval called for an international bidding, which was won by the Argentine-Brazilian consortium Oceanico, with which a contract was signed on 29 September 1992 and which abandoned the project in January 1995.

In July 1993 the Valparaiso Comptroller's Office conducted a technical inspection of the work on the sewage system, under the program for monitoring projects that obtain Central Bank funding, and in August of that year submitted a report that cited irregularities in construction.

Later it conducted another inspection, which included compliance with the contract with Oceanico. In December a new report indicated that irregularities had been detected. In April 1994 Esval responded to the Comptroller's Office, and two months later this office began the inquiry that ended last week.

In addition, since last year the Comptroller's Office has been conducting a second investigation into the contract that Esval signed with the U.S. firm Iseki, which had taken over the project but ultimately abandoned it as well. This gave rise to the scandal that prompted the investigations by the Comptroller's Office, the courts, and the Chamber of Deputies.

The chamber established a Special Investigating Committee, chaired by PPD lawmaker Nelson Avila, who

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during the course of his work made a series of charges and statements about improper payments presumably to political campaigns. As a result, two suits were filed against him, the first by Senator Juan Hamilton and the second by Deputy Aldo Cornejo, both Christian Democrats (DC). Cornejo withdrew his suit after a reconciliation order.

The chairman of the committee also had to deal with two censure motions filed by the DC lawmakers on the investigating committee; the motions were eventually defeated by the PPD and the opposition.

According to Deputy Avila, the Comptroller's Office report provides background information that in his judgment will be fundamental for the work of the Special Committee investigating the case in the chamber and for its final report.

He added that he is prepared to hand over soon all of the background information he has to the head of the Sixth Criminal Court in Valparaiso, where the case is being heard, so that the judge has all of the basic material he needs to do his job.

He indicated that along with the new roster of Esval executives he would make available all of the information in his possession to the State Defense Council so that it too can be party to the case.

Avila specified that according to the report the areas in which the circumstances giving rise to liabilities were found were engineering design, the construction methods contracted for and changes therein, the execution of the project, modifications to the contract (in this latter connection he felt that each of the four changes weakened the position of the contractor), and payment for supplementary work in the Capuchinos Bridge sector.

Letter From Corfo [Production Development Corporation]

The general manager of Corfo, Eduardo Bitran, appeared before Congress yesterday to deliver a letter from the minister vice president of the corporation, Felipe Sandoval, to the committee investigating the Esval case. The letter provides background information on Iseki Inc., the company that is currently involved in a lawsuit with Esval over its abandonment of the Vina del Mar-Valparaiso sewage system project.

According to a Corfo press release, Bitran reported that Corfo had gathered the information during a recent investigation that it conducted, "and it shows convincingly that Iseki Inc. is a subsidiary of Iseki Poly Tech of Japan, which owns 100 percent of the former, and that the guarantees and bonds that Iseki Inc. gave Esval have the full backing of the Japanese parent company."

"This information," the executive stated in the note, "not only dispels the doubts that some had voiced about the ties between Iseki Inc. and the well known Japanese firm Iseki Poly Tech; more importantly, it is very beneficial to Esval, as it means that if the decision in the civil suit is that compensation is to be paid to Esval, Iseki Inc. would have sufficient assets to comply."

It was also reported that the letter from the minister "includes a confirmation statement from the president of Iseki Poly Tech, Yuji Yamaoka, made at the Chilean Consulate in Tokyo. In it, Yamaoka, referring to the construction contract signed by Esval and Iseki Inc., asserts that the individual who signed for Iseki, Philip Coller, 'acting on behalf of Iseki Poly Tech, established this company as jointly liable guarantor of the obligations contracted by Iseki Inc. under the contract,' having been so authorized by Iseki Poly Tech on 31 March 1995 (in other words, before the construction contract was signed on 3 April 1995)."

Sandoval's message, it was added, also includes a letter that James Thompson, an expert with the British firm Jason Consultants, had sent Corfo. Thompson, who in August 1993 drafted a report on the sewage system project for Esval (the World Bank had recommended him as an international specialist in this area), sent Corfo a copy of the Dun and Bradstreet Report (the equivalent of Chile's Dicom), "which shows clearly that Iseki Poly Tech of Japan is the 100 percent owner of Iseki Inc.," Thompson noted.

Chile: RN 'Crisis' Affects Municipal Campaigns

96SM0211B Santiago EL MERCURIO in Spanish 21 Mar 96 p C2

[FBIS Translated Text] National Renewal's internal problems have given rise to a series of complications having to do with the municipal elections.

The crisis in National Renewal (RN) stems from the refusal of a group of seven senators to abide by the decision of the general council in Temuco to spur forward reforms of the Constitution.

Many councilmen whose reelection was practically assured have begun talks with other groups, among them the Christian Democrats. This has happened specifically in Region I.

Other potential candidates in the elections scheduled for 27 October do not want to sign up as municipal candidates until the party's problems have been settled.

Several independents who were considering joining the RN electoral slate have decided to wait until the crisis works itself out.

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As party sources explained, many people are wary of identifying with a party whose image at the moment could be one of "disorder and even unreliability."

Therefore, those in charge of municipal matters are increasingly worried about the impact that these developments could have on RN's performance in the elections, given that registration of candidates with the Electoral Service is just three months off.

Another aspect is that campaign contributions, mainly from businessmen and private individuals, might be adversely affected.

So far there have been no specific signs of this, but the feeling is that contributions could be affected if the problems drag on.

Lily Perez, the president of RN mayors and councilpersons, admitted yesterday that in light of the above the municipal issue is at a standstill in the party and all proposals have been put on ice.

The minimum condition that RN has set for any municipal election pact is that it be able to run its current mayors and councilmen at the very least. Another condition is not to leave ballot slots open so as to help the candidates of other parties to the pact, because this, the party insists, has not worked well.

However, a center-right election pact has stalled because the UDI [Independent Democratic Union] does not accept RN's support of constitutional reforms and as a condition for an electoral alliance is demanding that RN drop the idea of reforms.

Lily Perez underscored that the electoral situation is very delicate, and that in her judgment the most important thing is to put an end to the current internal situation so that the party can begin preparing its municipal campaign.

In this regard, she called on the "hardline" senators to honor internal agreements because, she said, a party that is not capable of doing so loses credibility with the public.

Chile: Editorial Notes RN Internal Differences

96SM0211C Santiago LA NACION in Spanish 20 Mar 96 p 5

[Editorial: "National Renewal's Dilemma"]

[FBIS Translated Text] It would be a mistake to believe that the difficulties that National Renewal (RN) is going through are due to the disagreements that the executive branch's constitutional-reforms bill has prompted, and to deduce, therefore, that if this debate had not arisen, there would be unity in the party.

The constitutional reforms were merely the catalyst for the substantive differences that exist within RN concerning the type of institutions that ought to be established in Chile. Ever since it was formed, the party has been home to two right wings: one with an authoritarian bent, whose primary loyalty is to Pinochet and his past regime, and another with liberal leanings, which has been willing to run the risks of democratic competition. We are talking about two spirits looking in different directions. Whereas the former is bent on protecting the system of trenches that would have to ensure military oversight of institutions, the latter wants to gain legitimacy among the citizenry and vie for their vote.

If RN aspires to become the hub of a governing option, it simply cannot ride two horses that are headed in opposite directions. To remain indecisive on issues that are essential to democratic stability is ultimately tantamount to accepting political inconsistency, which inevitably leads to a loss of authority in the eyes of the citizenry.

The hardline faction did not change the defiant position that it has maintained toward Andres Allamand's governing board even when the board explored a compromise on the reforms, which is what Deputy Ferrada's initiative was. Incidentally, this faction does not seem to understand the link between legitimizing the free market, of which its members are enthusiastic advocates, and strengthening our system of liberties.

It has been shown that the commitments of the Jarpaled faction to the legacy of the dictatorship are much stronger than its respect for RN resolutions, among which are those of the general council meeting held in Temuco, which approved the idea of legislating constitutional reforms. Given this state of affairs, the moment of truth seems to be drawing near.

An analogy with what has happened in Spain would perhaps be useful to understand the problems of the Chilean right. The right had to break with Francoism and adopt a moderate stance in order for Aznar to win the elections. One could say that the Spanish right lost its fear and decided to play the game, that is to say, to compete according to the rules of democracy.

The Chilean right is still weighed down by the millstone of the almost 17 years during which it governed along with the military without regard for the will of the people. The faction most resistant to change still has reflexes that are conditioned to fear democracy and clings to the fortifications that authoritarianism left behind. Its leaders seem convinced that they have no chance of coming to power over the next few years and

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thus prefer to remain a minority with the ability to block any majority.

Whether it is now, in connection with the vote that will take place in the Senate on the reforms, or later, with regard to other vital matters, RN will inevitably choose a path. What is at stake is its capacity to become a force that aspires to national leadership, to which end it must dispel any ambiguity about its commitment to democracy.

Chile: Commentary Sees 'Uncertain Future' for Right

96SM0211D Santiago LA TERCERA DE LA HORA in Spanish 24 Mar 96 p 1

[Commentary by Maria Eugenia Oyarzun: "Political Carousel" — received via Internet]

[FBIS Translated Text] While the British are disconsolate over the economic disaster caused by the outbreak of "mad cow" disease, a livestock disorder that causes dementia in humans, in Chilean politics National Renewal (RN) would seem to have been infected with a political "phagocytosis" that has the entire center-right on its death bed. The cause is several political leaders who, like phagocytes, seem prepared to devour each other.

The constitutional reforms, an issue that is not on the center-right's agenda, could become the graveyard of its aspirations not only for the municipal elections this October but also for the congressional balloting in 1997 and the presidential vote in 1999.

The feuding inside RN has the party bewildered amid its own mistakes, has disillusioned hundreds of possible mayoral and municipal-council candidates, and has angered the mass of independents who voted for its candidates at the last election.

The administration and the Coalition [of Parties for Democracy] are not to blame for the situation on the right, but a fragmented opposition and an RN that is on the verge of splintering suit them to a tee. The ruling party is looking on in amusement as the opposition, to which democracy assigns the role of monitoring the incumbent administration, diverts all of its energies into destroying itself. They would all seem to agree that amendments to the Constitution could be considered, but there is no agreement on the administration's proposals, called the Frei I and II bills, because in the judgment of one faction of the party they vitiate both existing institutions and the role of the Armed Forces as their safeguard by altering the powers of the National Security Council and the makeup of the Constitutional Court.

After several months of bickering, RN's internal problems have now worsened.

Seven senators and some of the 31 deputies do not accept the bill as passed by the Senate's Constitution, Legislation, and Justice Committee. The senators have reaffirmed that they will reject the idea of legislating, adding that they are, however, willing, to consider any modifications that the party itself submits in accordance with its legislative powers.

The governing board has warned the senators about possible sanctions against those who fail to comply with party orders and who, in the first week of April, reject the bill that is before the Senate. They have also been called on to resign from the party, which the "rebels" have repeatedly rejected.

The future seems uncertain. If the seven senators vote against the bill, the general council of RN will have to make a decision. Legally it cannot expel them, but the "Allamandites" are proposing a change in the bylaws under which those who do not comply with party orders cannot run again for popularly elected office.

The "hardliners" assert that the problem is that the governing board did not consult with its lawmakers in arriving at an agreement with the Coalition and that certain RN leaders, owing to their personal ambitions, are leading the party to destruction.

The president of RN, in contrast, has blamed the "powers that be," meaning the Armed Forces (particularly the Army), businessmen, and the mass media, saying that they are behind the rebellion of the seven. Both the senators themselves and the Armed Forces completely reject this assertion.

In this regard, Allamand has not mentioned the administration and the Coalition as one of his major adversaries, although there can be no doubt that the current developments in the center-right are most advantageous to the ruling party.

In the view of a sizable group in the faction that Andres Allamand heads, a group led by Deputy Alberto Espina, the constitutional reforms are no longer under discussion; rather, two opposing philosophical visions that coexist within RN are. One is the conservative vision, which would foster a "protected democracy that distrusts the popular vote" and which as a result of the traumas caused by the Popular Unity government wishes to keep the Armed Forces actively involved in politics. The other is the liberal vision, which sees the above as "disastrous for the Armed Forces and the judiciary, because it tends to politicize them" and because, it holds, one must be consistent by placing political liberties on the same footing as economic liberties.

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In light of the above, the "liberals" in RN feel that the "conservatives" want the Armed Forces to be part of the National Security Council and the Constitutional Court.

The "hardliners," in contrast, charge that Andres Allamand has unnecessarily created this conflict with an eye toward attracting Christian Democrat and PPD [Party for Democracy] support for his possible presidential run in 1999. In addition, this faction says that RN's helmsman has not been very up-front and that his behavior stems from the "persecution mania" that he has had ever since he accused the "powers that be" of wanting to destroy him.

The question that emerges is whether these two factions can coexist inside National Renewal. In the judgment of Deputy Espina, this would require that the majority not crush the minority, and that, in turn, the latter not sabotage the majority's political agenda. Neither of these two things is happening.

Charles and Diana in RN

The Allamand faction compares the situation in RN to the marriage of Prince Charles and Princess Diana, who have long slept in separate beds, have their extramarital affairs, and are headed straight for a breakup and divorce.

The rebel senators think, on the other hand, that the president of RN, instead of seeking a solution to the "artificial" conflict that he created in the wake of the proposed constitutional reforms, is spurring the destruction of the party.

But while the accusations fly, National Renewal continues walking toward the abyss. With the municipal elections just seven months away, the potential candidates for mayor and councilmen are disoriented and frustrated. The election campaign will not get under way until party leaders put their house in order. And if RN does not do so, the entire center-right will lose votes and prestige (24 March 1996).

Colombia

Colombia: 7 Killed, 10 Wounded in Attack in Antioquia

PA2304035396 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0206 GMT 23 Apr 96

[Report by Jorge Eusebio Medina and Carlos Octavio Bolivar]

[FBIS Translated Text] [Unidentified announcer] There are two important news items to report from the capital of Antioquia Department, one of which is very sad and unfortunate.

A massacre has taken place in the town of Segovia, in northeastern Antioquia Department. According to official reports this station has been able to obtain, several armed men riding a jeep reached the Segovia town square. They began firing and hurling explosive devices. According to preliminary reports by the director of the San Juan de Dios Hospital in Segovia, Dr. Dario Arango, 17 people have been admitted to the hospital; seven of them are dead and 10 are wounded. Three of the wounded could die during the night because of their serious condition.

Let us listen to Dr. Dario Arango with the following report:

[Begin recording] [Arango] We have admitted some [word indistinct] people, seven of whom were already dead. We have three seriously wounded patients. Six were admitted in stable condition.

[Medina] [Words indistinct]

[Arango] What?

[Medina] [Words indistinct]

[Arango] From [words indistinct] of Segovia. The only thing we have is that a jeep passed by, firing at the people.

[Medina] What is the condition of the wounded?

[Arango] There are three seriously wounded who may die during the night.

[Medina] [Words indistinct]

[Arango] We are now just getting their names.

[Medina] [Words indistinct]

[Arango] Not yet. Later on we can give you the names of the dead [words indistinct].

[Medina] [Words indistinct]

[Arango] About half an hour ago. [end recording]

[Announcer] That is the report by Dr. Dario Arango, director of the San Juan de Dios Hospital in Segovia. Ten people were wounded, seven were killed. In addition, it has been difficult to contact La Salada Hospital in Segovia where other dead and wounded were admitted. The incident took place in downtown Segovia, northeastern Antioquia Department.

The other news will be brought to you by Carlos Octavio Bolivar.

[Bolivar] We are also able to report that troops from the Bonbona Battalion and Tacines Battalion from the Army's 14th Brigade based in northeastern Antioquia

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Department defused 24 high-power mines in the area of Vereda Campo Alegre, Segovia, in the last few hours. A special operation was set up by military units. The mines were removed from the area and taken to the military base. As we have said before, an intense operation was initiated in this area after the 24 mines were defused. The unfortunate incident later took place in the Segovia town square, which left at least seven people dead and 10 wounded.

We must remember that there was another massacre in Segovia seven years ago, in November 1989, that left 45 people dead and an undetermined number of wounded. The gunmen also perpetrated their attack at the Segovia plaza.

Colombia: 'Immediate Attention' Centers Said Blown Up

PA2304035796 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0220 GMT 23 Apr 96

[Report by Carlos Barragan]

[FBIS Translated Text] [Unidentified announcer] We have a report on an attack in the capital.

[Barragan] An Immediate Attention Center [CAI] booth was blown up on 122d Street and 29th Avenue in northern Santa Fe de Bogota. No one was apparently present at the time. National Police officers are on their way to the area to conduct the preliminary investigations. An explosive device blew up the CAI, according to neighbors.

Another explosive device reportedly went off at 187th Street and the expressway. Explosive experts of the Santa Fe de Bogota Metropolitan Police are on the way. Another CAI of the National Police was also apparently attacked. In less than 10 minutes, there were two attacks on the city's CAI's, the first on 122d Street and 29th Avenue and the second on 187th Street and the northern expressway.

[Announcer] Are there any reports about the characteristics of these two incidents in the capital?

[Barragan] Not yet, but the authorities are not ruling out that the perpetrators have simply wanted to get the media's attention.

[Announcer] The Metropolitan Police reported initially that there was no one at the CAI on 122d Street. They said the perpetrators were apparently guerrilla members. The police and the explosive experts are on their way, but there was no one at the first CAI, according to preliminary information .

The Metropolitan Police have just reported that there was, in fact, no at the Malanta CAI and at the Santa Barbara CAI, which were attack?d tonight. There was only property damage at both CAI's.

Colombia: Dissident Group Requests Mediation

PA2304020896 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 22 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT on 23 April]

[FBIS Translated Text] The Jaime Bateman Cayon Group has betted on peace again. It announced last week its withdrawal from the talks but now says it wants peace and has requested the mediation of business associations in the process.

The Jaime Bateman Cayon Group only two days ago broke the peace talks it had initiated with the government in December. The group changed its position today and expressed its desire to bet on peace:

[Begin Commander Romel, of the Jaime Bateman Cayon Group, recording] We have our doors open for future contacts. [end recording]

The members of the Jaime Bateman Cayon Group have proposed to limit their offensive military operations nationwide in exchange for the government refraining from Army incursions in conflict areas, stopping the checking of people who enter those areas, and permitting the participation of business associations in the negotiations:

[Begin Commander Romel recording] We want the business associations to commit themselves to the communities and low income people. [end recording]

The Jaime Bateman Cayon Group will present its proposal to resume the talks to members of the facilitating commission and the high commissioner for peace this afternoon when it will meet to evaluate the negotiations.

Colombia: 'Dignity for Colombia' Releases Communique

PA2204145896 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 22 Apr 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] Cali — The Dignity for Colombia organization, which is holding architect Juan Carlos Gaviria prisoner, today asked Nobel literature award winner, Gabriel Garcia Marquez, to assume the post of vice president and then president, when the Congress so decides, to overcome the country's crisis. The group delivered an open letter to reporter Bernabe Cortes of the regional channel Telepacifico's television newscast.

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Cortes said that the communique, dated 22 April, was delivered to his home around midnight. The communique is signed by a man who identifies himself only as Commander General Bochica.

I and my wife learned of the communique after a telephone call asking me whether we had already read the document, Cortes said. He continued to say that, after the telephone call, he picked up the envelope and found both the open letter addressed to Garcia Marquez and Gaviria's picture. Cortes said that in the photograph, Gaviria is flanked by two men dressed in military uniforms and all of them appear to be in a tent. In his left hand, Gaviria holds a picture of Luis Carlos Galan Sarmiento, with the slogan "Dignity for Colombia." In his right hand Gaviaria holds the most recent issue of SEMANA magazine.

Cortes, who received the proof that Gaviria is alive, told RCN that he is looking for Garcia Marquez to deliver the contents of the envelope. Once I opened the envelope, I looked for Garcia Marquez, but could not find him because I do not have the most recent telephone number changes, Cortes said. In the communique, Dignity for Colombia demands that the Congress appoint Garcia Marquez vice president and make the necessary arrangements for the writer to assume the office of president, in lieu of Ernesto Samper. The envelope was pushed in under my door, but neither my wife nor myself had seen it by midnight. Later, we received a call from a man who identified himself as a Dignity for Colombia member and asked whether we had already read the document, Cortes said.

Colombia: Gaviria Kidnappers Send 3d Communique

PA2204150296 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 22 Apr 96

[Telephone interview with "antikidnapping czar" Dr. Alberto Villamizar by reporter Antonio Jose Caballero in Santa Fe de Bogota and station announcer Juan Gossain at the master remote in the (Dan Hotel) in Barranquilla; from the "RCN Radio Events" newscast — live]

[FBIS Translated Text] [Gossain] We pass the signal to fellow worker Antonio Jose Caballero in Bogota. Regarding the communique that the Movement for the Dignity of Colombia group has sent in connection with the kidnapping of Juan Carlos Gaviria Trujillo, Antonio Jose now has contact with Antikidnapping Czar Dr. Alberto Villamizar.

[Caballero] Well, Juan, Dr. Alberto Villamizar has learned of the news through RCN this morning and we have him on the line. Good morning, Dr. Villamizar.

[Villamizar] Good morning, Antonio.

[Caballero] What is your opinion on this news from Cali on a communique asking that Nobel laureate [Gabriel] Garcia Marquez become president? The communique includes a new photograph of engineer Juan Car?os Gaviria displaying this week's SEMANA magazine, which has the cover title The Warning [el campanazo].

[Villamizar] I have not yet had the opportunity to examine the content of this new communique that one of your RCN [Radio Cadena Nacional] reporters received. But according to what you have told me, this communique is similar to the previous ones. It is important that the contents be examined to determine whether in fact it is the same group, although according to the information you have given me, this seems to be the case.

[Caballero] Is former President [Cesar] Gaviria aware of this yet?

[Villamizar] I have not had any contact with former President Gaviria this morning. I understand that the reporter only found out about the communique at 0200 or 0300 [0700 or 0800 GMT] through a telephone call by the person who sent the communique asking whether the reporter had already received it. I, therefore, consider it unlikely that Gaviria has any information on this communi?ue this morning.

[Gossain] Yes sir. Bernabe Cortez was the Cali reporter who received the communique at his home and told RCN everything that transpired, just as you have said. They shoved a communique under the door of his apartment and then they telephoned him to go and get it. Dr. Villamizar, do you have any doubt that it is the Movement for the Dignity of Colombia group? What is this movement and who are its members?

[Villamizar] Yes, Juan, just as I have repeatedly said, undoubtedly those who call themselves Movement for the Dignity of Colombia and have sent these three communiques must be holding Dr. Gaviria. The work consists basically of investigating who comprises this group and who leads it in order to properly move ahead the investigation. As you say, everything seems to indicate that these people are holding him, but we must investigate who are the members.

[Gossain] Dr. Villamizar, thank you, you have been most kind with RCN.

[Villamizar] Many thanks, Juan.

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Colombia: OAS Secretary General Arrives in Pereira

PA2104193196 Madrid EFE in Spanish 1650 GMT 21 Apr 96

[FBIS Translated Text] Pereira (Colombia), 21 Apr (EFE) — Newspaper sources reported today that former Colombian President Cesar Gaviria, also secretary general of the Organization of American States (OAS), arrived on Saturday in his native city of Pereira (western Colombia), on a private visit related to the kidnapping of his brother Juan Carlos.

Gaviria arrived from Washington and, following a brief stopover in Santa Fe de Bogota, caught another flight to Pereira where he arrived amid tight security that prevented the media from getting close.

Architect Juan Carlos Gaviria Trujillo was kidnapped this past 2 April in a rural area of Pereira while driving his car to a tennis club, and three days later a so-called "Dignity for Colombia" organization claimed responsibility for the abduction.

This group, which has also claimed responsibility for the 2 November 1995 murder of Alvaro Gomez Hurtado, former presidential candidate for the Conservative Party, sent several photographs to the newspapers of Gaviria surrounded by two masked men.

The kidnappers are demanding Gaviria's resignation from the OAS and his return to Colombia, as well as the resignation of current President Ernesto Samper and Vice President Humberto De La Calle.

Gaviria, in addition to Samper and De La Calle, described the demands as impossible to comply with as well as "reckless."

The "Dignity for Colombia" organization, of which there is no information on membership or leaning, also claimed responsibility for the 27 September 1995 attack against President Samper's previous lawyer, Antonio Jose Cancino, who was defending the president of charges related to allegedly having financed the presidential campaign with funds originating from drug trafficking.

Colombian security agencies do not rule out the likelihood that the kidnappers may well be either drug traffickers, paramilitary, or guerrillas.

Colombia: Spanish Paper Says Samper Wants To Step Down

PA2204202996 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 22 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1910 GMT 22 Apr 96]

[FBIS Translated Text] According to a Spanish newspaper, President Ernesto Samper told a European diplomat that he is willing to resign. The newspaper said that one of the conditions for Samper's resignation was that he be spared from going to prison. We talked with the reporter who drafted the report.

LA VANGUARDIA, Barcelona's leading and Spain's second most popular newspaper, says that even Samper's closest associates are pressuring him to resign. Joaquin Ibarz, the newspaper's foreign correspondent to Colombia, said that former minister Arturo Saravia flew to Spain to talk to Vice President Humberto de la Calle about Samper's four conditions to resign:

[Begin Ibarz recording] First, he wants to be exonerated of all charges so he will not go to prison when he steps down. Second, he wants his closest and brightest ministers, those not linked to drug trafficking, such as Finance Minister Guillermo Perry, Education Minister Maria Emma Mejia, and Mines Minister Villamizar, to stay in the government. Third, he wants the Social Leap program, which took him and De la Calle to the presidency and vice presidency, respectively, to continue. Fourth, he wants prompt political reforms so honest elections can be held in 1998. [end recording]

Ibarz says his sources are highly reliable.

[Begin Ibarz recording] Samper told this to a prominent European diplomat who recently visited Santa Fe de Bogota. [end recording]

According to Ibarz, Samper wants to be cleared of all charges to save face.

Colombia: Samper Reasserts 'No Plans To Resign'

PA2204190296 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1700 GMT 22 Apr 96

[From the "RCN News Events" newscast]

[FBIS Translated Text] President Ernesto Samper today reasserted that he has no plans to resign and that he will not please those who have created a political crisis themselves.

Samper today reported on the results of the social (?impact) program on his administration. He also said

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that there are sectors interested in creating a climate of expectation for political purposes and that some other sectors are pressuring the government to inflate an uncertainty they themselves helped create. He also said the country's economy remains sound and that this is proven by the fact that, in Colombia, the economy grew by 5.3 percent last year, while in the rest of Latin America it grew by an average of only 0.6 percent.

Samper admitted that it will be difficult to reduce the fiscal deficit this year. He added that any emergency measures the government applies to cope with this problem and prevent an economic recession next year can only be the result of a gentlemen's agreement. Samper said the fiscal deficit is not too big, but that the [words indistinct] have made it appear to be larger than it really is.

Colombia: U.S. Said To Regard Nation as 'Security Threat'

PA2304042896 Santa Fe de Bogota EL TIEMPO in Spanish 22 Apr 96

[Article by Fernando Cepeda Ulloa: "A View on the United States: Guerrillas, Territorial Conflicts, and Drugs" — received via Internet]

[FBIS Translated Text] Some people forget that the end of the Cold War changed the U.S. attitude toward the hemisphere's conflicts. In the case of guerrillas in particular, the U.S. policies actively support the options favoring peaceful solutions. In other words, its policies favor national reconciliation.

In the case of border conflicts between Guatemala and Belize, El Salvador and Honduras, Venezuela and Colombia, Venezuela and Guyana, Guyana and Suriname, Ecuador and Peru, Bolivia and Chile, Colombia and Nicaragua, and Argentina and Chile, the U.S. attitude favors peaceful solutions and promotes measures of confidence and security.

As far as drugs are concerned, the situation is completely different. President Clinton defines international drug trafficking as "a criminal activity threatening democratic institutions, fueling terrorism and human rights violations, and ebbing economic development." More yet, in his opinion, "the consumption of drugs jeopardizes the entire United States." To be more specific, its drug strategies define the nature of this jeopardy: "International drug trafficking adversely affects the United States, because it brings crimes to the streets, violence to the communities, and drug abuse to towns and cities. These attacks on health and security will continue adversely affecting and undermining the well-being of the U.S. people."

Colombia is thus regarded as a threat to U.S. security. In the famous executive order against the Cali Cartel, President Clinton said that it constituted a serious and huge threat against U.S. security, foreign policies, and economy. What worries them is not only the 1,000 metric tons of cocaine produced annually, of which the United States consumes 300, but also the fact that Colombia has increasingly become a new threat as a major supplier of heroin. Besides all this, narcocorruption alarms them.

It is unadvisable to downplay the impact of the drug phenomenon on the United States. In justifying his new position favoring the legalization of drugs and in stating that this war was lost, the director of the renowned rightist publication NATIONAL REVIEW presents impressing figures on the problem. According to him, this is a plague that consumes $75 billion a year in public funds, that is responsible for 50 percent of the U.S. prison population, and that occupies 50 percent of the judicial system's time and requires the determination of 400,000 policemen. These figures and other circumstances make him and several other personalities demand to start climbing the path toward drug legalization. This is what certain governors and eminent businessmen and academicians in Colombia believe too. It must not be the case, however. A true war has never been waged, and this is why we cannot say it is already lost. An intelligent strategy on the matter must still be discussed. It may well never happen. Then the right thing to say would be that there were no opportunities to lose a war that was never waged as it should have been.

Colombia: 5 Governors To Urge Drug Legalization

PA2104012396 Santa Fe de Bogota EL TIEMPO in Spanish 19 Apr 96

[Report by Wiston Gonzalez del Rio — received via Internet]

[FBIS Translated Text] Villavicencio — The governors of five departments will ask President Ernesto Samper in Villavicencio today to promote the legalization of drugs in the country.

In fact, the governors are asking for the legalization of the cultivation, production, and trade of drugs.

The issue was part of the discussion on public security this afternoon at the 13th National Summit of Governors. Defense Minister Juan Carlos Esguerra Portocarrero attended the meeting.

Guaviare Governor Eduardo Florez Espinosa was the first to address the floor. Guaviare Department is believed to be the largest producer of coca leaves in

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Colombia. Florez Espinosa said the legalization of drugs was a feasible option.

The governors from Meta, Tolima, Cesar, and Arauca supported Florez Espinosa's proposal.

"Once illegal activities become legal, they tend to disappear later on," said Tolima Governor Francisco Jose Penalosa.

Meta Governor Alfonso Ortiz Bautista supported the idea. "There will be less problems if drugs become legal. The competition for illegal enrichment will disappear," said Ortiz Bautista.

Arauca Governor Jose Vicente Lozano said the proposal could be an effective means to solve the problem of drug trafficking.

Cesar Governor Mauricio Pimiento said it is a delicate issue that comes forward just as the general public is examining the country's conduct, but he said: "The proposal should not be rejected here, where so many sacrifices have been made without receiving any recognition."

"A serious dialogue should be opened with the objective of not only eradicating the crops but also decreasing a drug market worth millions," said Pimiento.

Even though the proposal might have an impact on international relations, it should be considered an alternative, the governors said.

Conservative Senator Juan Camilo Restrepo spoke on territorial indebtedness, adding that the legalization issue should be approached carefully so it will not be misinterpreted abroad.

Samper's measures for public security to be announced today have triggered expectation at the governors summit.

Colombia: Government, Governors Reject Drug Legalization

PA2004035596 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 19 Apr 96

[Report by Evert Rincon and Gilbert Vega; from the "Midday Newscast"]

[FBIS Translated Text] The Governors Summit being held in Villavicencio, Meta Department, is today's top news. The governors are using this occasion to review the situation of public order in the country, the latest measures the government has dictated to control it, and the suitability or unsuitability of confronting the rebels as President Ernesto Samper has categorically announced. Evert Rincon and Gilbert Vega, Caracol's news director in Meta and special correspondent, respectively, report.

[Rincon] The national government has categorically rejected any possibility of considering the legalization of drugs in Colombia, as Interior Minister Horacio Serpa Uribe has confirmed to Caracol.

[Vega] Interior Minister Serpa Uribe has said that this proposal is absurd and that under no circumstances will the government consider the proposal to legalize drugs. This proposal was formulated by the governors of Colombia's eastern departments, including Meta, Guaviare, Arauca, and Caqueta, which are the producers of illegal crops in the country:

[Begin Serpa recording] The government has not included on its agenda the proposal to legalize drugs. I believe this proposal is absurd and inconceivable at this time. We are waging a war against drug trafficking, illegal crops, and the dealers of hallucinogens. We are engaged in the task of destroying drug processing laboratories and landing strips, seizing the raw materials and production, and so on. [end recording]

[Vega] This has been the government's position on this proposal.

Antioquia Governor Alvaro Uribe, who is presiding over the Governors Summit, has said the government's position is the official position of the conference. Uribe has established that this proposal is an isolated one by some of the department leaders. The governors have also discussed the situation of public order, and as Interior Minister Serpa and Defense Minister Juan Carlos Esguerra Portocarrero did this morning, this opportunity will be used to give instructions to the department leaders on the delimitation of the special public order areas and the scope of the national government's laws on ways to control public order in each of its jurisdictions.

Most of the governors attending this summit in Villavicencio have rejected the proposal to consider or possibility consider the legalization of drugs. Casanare Governor Emilio Sosa Pacheco was among the governors who has rejected this proposal:

[Begin Sosa recording] I categorically reject this proposal. Under no circumstances could I approve it. To approve this proposal would wreak havoc on our society. It would turn us into a very permissive society [words indistinct] drug legalization at this point would be tantamount to the legalization of a serious conflict reflecting our social situation.

Drug trafficking and illegal crops constitute a social problem that will not be resolved by simply legalizing

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drugs. This problem will be resolved by offering other alternatives to the people. [end recording]

Colombia: Samper Announces Efforts With Regional Leaders

PA2204160696 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 19 Apr 96

[Telephone report by Luis Eduardo Maldonado in Villavicencio; from the "Latest News" newscast]

[FBIS Translated Text] President Ernesto Samper Pizano closed the National Governors' Summit in Villavicencio today. Participants committed themselves to work actively to prevent disorderly conduct in all departments. The head of state announced the creation of a presidential advisory board in charge of coordinating relations among the Colombian Executive Branch, the governors, and the mayors of the country's municipalities to intensify activities to accelerate social development. President Samper underscored the mayors' importance and commitment in this regard:

[Begin Samper recording] Their duty is to coordinate the public force at the regional level and help it fulfill its mission, and as warranted, they may create special public order zones, in keeping with powers granted by the Internal Disturbance Decree that we issued this week.

The National Intelligence System, Sinai, will be fully operational in a few days. It will help coordinate all the actions of state security and intelligence agencies. In a few months we will open to a bid the first group of helicopters that will allow us to ensure the mobility of troops in their deployment to respond to rebel threats. [end recording]

President Ernesto Samper Pizano also announced approval of credit lines for $80 million backed by an internal credit of (Findeter) to allow governors to request fiscal reorganization loans for their departments. Finally, he talked about Case 8,000 and the statements by the ministers linked to this process:

[Begin recording] [Samper] As I announced today, in addition to the resources we are now freeing at this time [words indistinct] budget for more than 20 billion pesos this year [words indistinct] a unified command. In other words, a coordination system that will place all state agents in charge of maintaining public order and security under the command of one person, to make their operations more effective.

[Unidentified reporter] [Words indistinct] declare entire departments as special zones?

[Samper] This is a decision that Police and Army commanders will make in each area. If any department must be turned into special public order zone, and if the high commands recommend this for strategic reasons, we will declare it. In other words, we will do whatever necessary to establish (?conditions) to make the public force's task of maintaining public order more efficient. [end recording]

That was President Ernesto Samper Pizano who is now heading for the Republic's capital along with the three ministers who attended the National Governors' Summit.

Colombia: Samper, Liberal Leaders To Discuss Differences

PA2004045696 Santa Fe de Bogota EL TIEMPO in Spanish 19 Apr 96

[Report by Cesar A. Sabogal R. — received via Internet]

[FBIS Translated Text] President Ernesto Samper and the members of the Liberal Party [PL] leadership, Samper's party, did not smoke the peace pipe during the meeting held on Wednesday, but in exchange, President Samper offered the members of the National Liberal Directorate (DLN) exquisite Cuban cigars.

During a meeting at the Narino Palace that lasted more than three hours, the PL leaders presented Samper a "grievance [memorial de agravios]," a document in which they stated several points on which they disagree with him.

At the end of the meeting, President Samper said: "more than a meeting to assert the party's support, this was a cordial meeting. We discussed fiscal issues, the evolution of the crisis, and in general, it was a meeting I have described as positive not only for the party, but also for the country."

Seven of the eight members of the DLN explained to the President the reason why they disagree with his proposals to hold early elections and hold a popular consultation.

"This idea (holding early elections) is not in keeping with the DLN's thesis of respecting the procedures, norms, and the solutions contained in our laws. This leads us to express our misgivings about its viability, suitability, and effectiveness to resolve the crisis," they contended.

Concerning Samper's proposal to hold a popular consultation, the PL leaders stated that this would be unsuitable because of one reason: the country is very polarized and holding a popular consultation would contribute to further divide Colombians.

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In addition, Inez Gomez de Vargas, representative and DLN member, stressed: "The consultations can be won by a vote. What would happen if Samper won this consultation by a slight margin? Would it be entirely valid? To deal with these topics might be annoying, because it is tantamount to putting a finger on the sore spot. However, it is better to make a critique now."

Luis Fernando Jaramillo, former president and member of the DLN, said that the DLN believes it would be very difficult to obtain a significant majority in a popular consultation. "The country would become even more polarized and the president would not obtain a majority to validate his mandate."

The meeting between Samper and the DLN members began at 1500. Two hours earlier, the PL leaders had met with the Finance minister and the chief of National Planning to discuss various economic topics.

According to DLN President Emilio Lebolo Castellanos, the need to conduct a permanent dialogue and optimize the rapport with his party was discussed during the meeting held with President Samper.

Lebolo said that the DLN asked Samper to keep them abreast of the initiatives he submits to Congress, "so that we can endorse them if we agree with them or discuss the points on which we disagree with him beforehand."

Rodrigo Rivera Salazar, president of the Chamber of Representatives, did not attend the meeting with Samper. Rivera Salazar argued that his status as future judge of the president precludes him from attending the meeting with the president.

Colombia: Minister Interviewed on Country's Finances

PA1904191196 Santa Fe de Bogota EL ESPECTADOR in Spanish 14 Apr 96 p B1

[Interview with Finance Minister Guillermo Eduardo Perry Rubio by EL ESPECTADOR reporters Efrain Pachon and Hector Hernandez; place and date not given]

[FBIS Translated Text] [EL ESPECTADOR] Why did you not make a cash audit [corte de caja] to learn what responsibility Gaviria bears?

[Perry] Although a lot of people advised us to conduct a cash audit, we felt we should not waste money on that since we came to work and have been doing that for a year and a half.

[EL ESPECTADOR] Former Finance Minister Rudolf Hommes has conducted a cash audit on you.

[Perry] Yes, Minister Hommes has been conducting a cash audit. Referring to the report by the Public Spending Committee, and in order to criticize the current administration, he said that the problem is that this government "devoted itself to repeat the previous government's spending increase not wanting to understand that this could not be done without harming public finances." The former minister is acknowledging that they increased spending, which was going to harm public finances.

[EL ESPECTADOR] The national bank says that President Ernesto Samper is spending too much. Is it that you are imitating Hommes?

[Perry] Hommes has been saying that, but that is not true. I most of all want to make the people feel at ease that we are not imitating Hommes, and are not going to. Proof of that is that the national government's spending, for instance, grew an average of 11 percent a year during the four years of the past administration. The current administration, however, has strongly lowered that growth rate. I do not want to continue this controversy with Hommes, because it does not help anything and because all of us should instead be seeking solutions to the existing problems.

[EL ESPECTADOR] Is the fiscal crisis the Public Spending Committee mentioned real?

[Perry] The Committee was not created to name the person responsible for problems but to propose solutions. To be sure, it made an assessment. The report must not be viewed as criticism of the previous administration. Overall, we agreed with the Committee's general conclusions.

[EL ESPECTADOR] What conclusion shook you the most?

[Perry] The first and most important thing about the conclusions is that we have a structural problem, and this means that the problem did not emerge yesterday and cannot be solved in one year. That is something complex to resolve, it requires profound measures of a legal and constitutional nature, and demands a change of attitude on the part of society with regard to the topic of public finances, as well as with regard to the relationship of society with the state.

[EL ESPECTADOR] Why so much fiscal disarray?

[Perry] In this country, as Gabriel Rosas Vega says, everybody — mayors, governors, the private sector, and lawmakers — asks for money, as if public funds were infinite, but when it comes to contributing, nobody does. The problem is greatly related to that attitude. The Committee is giving the country an opportunity, because the country has to decide what kind of state it wants, how far it wishes to go with its services, and if it is ready to pay for them. It cannot have

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everything and not pay for anything. Deep down, that is the Committee's message. In other words, this is not just the government's problem.

[El ESPECTADOR] How big is the fiscal gap?

[Perry] The Committee was right to differentiate between the fiscal deficit or surplus, which corresponds to public finances, and the deficit or surplus of the national government, which corresponds to the budget. The consolidated deficit of public finances last year totaled 0.47 percent of the gross domestic product (GDP). This year it will not surpass 0.6 percent. Only one European country, Luxembourg, has a smaller deficit. The national government's deficit, on the contrary, represents 2.7 percent of the GDP, because the government has had to boost sectors, such as the social security and electricity sectors, and has had to transfer funds to the regions.

[EL ESPECTAFOR] Is the situation critical or is it not?

[Perry] We do not have a serious problem, say, in public finances, but if do nothing now, in some years, I do not know how many, three, five, or six years, the fiscal deficit can become serious. That is why the discussion must begin now.

[EL ESPECTADOR] What will happen to the cofinancing funds?

[Perry] The Public Spending Committee proposed to eliminate allocations for cofinancing. We believe this is an extreme option. However, the committee's proposal does have a very important macroeconomic argument. They contend that cofinancing is nothing more than additional transfers to the municipalities, and we agree.

[EL ESPECTADOR] Is it likely that an immediate cut of these funds will be implemented?

[Perry] No. The budget is already under way and it is impossible to revert the allocation destined for this purpose, which amounts to approximately $700 billion. We might be able to do something about this within the framework of the 1997 budget.

[EL ESPECTADOR] Is it or isn't it worth it to maintain the cofinancing?

[Perry] To begin with, I do not agree with the proposal to eliminate it. These funds can be geared toward the poorest municipalities. The issue here is that some local administrations spend extravagantly and then come running to the government to obtain cofinancing assistance. To make matters worse, some municipalities and departments are using cofinancing funds to pay teachers, because they do not have enough resources.

[EL ESPECTADOR] Isn't this diversion from the goal of cofinancing reason enough to eliminate it?

[Perry] Some time ago, the Confederation of Municipalities and some experts gave me another good argument to eliminate cofinancing funds. This argument contends that the regions do not know how to manage their budgets; therefore,they do not use cofinancing funds properly. They still believe in a paternalistic central government, and the success of decentralization stems from the fact that the departments and municipalities should be prudent and responsible regarding spending. In light of this argument, with cofinancing we might be promoting lack of responsibility in the regions.

[EL ESPECTADOR] What reforms will be implemented vis-a-vis the system of transfers?

[Perry] We must find a technical way to correct the problems and deficiencies. The idea is to change the extent of the use of transfers by the municipalities, grant them a greater autonomy with regard to spending, and make them responsible for their obligations.

[EL ESPECTADOR] Will the transfers be separated from current revenues?

[Perry] The committee has proposed that transfers be linked to the performance of the GDP. This is a useful initiative.

[EL ESPECTADOR] Will Congress welcome the reforms proposed by the Public Spending Committee?

[Perry] The Liberal Party, the Conservative Party, and the government have made a commitment to the committee's work.

[EL ESPECTADOR] What immediate action will be taken?

[Perry] We will seek support in congress for the law that regulates regional indebtedness. For the coming legislative period, which begins on 20 July, we will seek support for two bills: one that reforms the regional tax system and another one that modifies Law 60 on decentralization.

The government does not know where the private sector obtained the facts to say that the economy is trapped in a recession. However, it admits that it does not have the figures to reject in a convincing manner the charges raised last week by the bankers and Carlos Caballero Argaez, president of the Bogota Stock Market.

The truth is that Finance Minister Guillermo Perry Pubio believes that there is an economic slowdown, particularly in the coffee and construction sectors, sales, and the demand for credit.

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The banking sector is apprehensive, not because it cannot face a new recessionary bout but because the wave of bankruptcies and compromises will end up inflicting further damage on the portfolio.

For several months, sluggishness on the part of the investors and a great uncertainty fueled by the political crisis — which is expected to drag on — have been noticed in the Bogota Stock Market, which gauges business activity.

[EL ESPECTADOR] The bankers and particularly, Carlos Caballero, president of the Bogota Stock Market, have begun to talk of a recession. They are basing their arguments on the U.S. guideline, which contends that a recession follows two quarters of economic slowdown and negative growth.

[Perry] Their argument is groundless. There are no statistics to support this reasoning and the existent evidence does not lead to this type of conclusion. We do admit that there is an economic slowdown, but this is different from a recession. What indicators do we have at this time? The most reliable one is the poll conducted by Fedesarrollo [Foundation for Higher Education and Development], and it shows that industrial production grew in the first quarter. Perhaps it did not grow as much as last year, but it did experience an increase.

[EL ESPECTADOR] What areas present true problems?

[Perry] These types of statistical reports show more serious problems in the area of sales and investment prospects. However, even production prospects are not all that bad. There are other alarming indicators such as the trend of the debt portfolio, but this does not point to a recession. Certainly, there are some specific sectors that are experiencing problems such as the construction, coffee, and garment sectors, and so on. However, the problems experienced by these sectors have been going on for a while.

Colombia: Government, Central Bank Discuss Economy

96SM0249A Santa Fe de Bogota EL TIEMPO in Spanish 19 Apr 96

[Received via Internet]

[FBIS Translated Text] Despite the sounding of alarms by the business associations, warning of a sharp drop in production, the Central Bank's board of directors and the government do not consider the situation to be as critical as they depict it. They claim that, with a strict management in the fiscal, monetary, and exchange areas, the economy will come out ahead this year.

Yesterday, the Central Bank's director, Miguel Urrutia Montoya, and Finance Minister Guillermo Perry Rubino agreed on several points: that the inflation rate is continuing downward, making it possible to attain the 17 percent goal, the exchange band will not be modified, and public spending must be curbed.

Addressing the House of Representatives' Third Commission, Urrutia admitted that factors such as the decline in construction, the coffee crisis, and the political uncertainty are causing a slight increase in the economy's aggregate demand. However, he indicated that this adjustment was necessary to prevent problems in the balance of payments current account, or an increase in notes and accounts receivable.

He remarked: "Once the aggregate demand starts rising to a sustainable level, the monetary policy will be more expansive. This, combined with a curb on public spending, will lead to lower interest rates."

According to the Central Bank's director, the main problem for the Colombian economy is the decline in savings. He observed that, for this reason, all the measures adopted by the monetary authority have been aimed at fostering savings. One of them is avoiding excessive debt, because "a prosperity based on debt is untenable."

Similarly, sound financing must be maintained for social security, and exports must be given an impetus.

The finance minister agreed regarding the factors causing a slowdown in production. He said that the low international coffee prices, combined with the reduced production volume, will bring about a decline in demand amounting to 0.6 percent of the gross domestic product (GDP): nearly 480 billion pesos.

As for construction, he noted that the sector has experienced an artificial boom that lasted longer than anticipated. The decline in the sector was hastened as a result of high interest rates and the capture of the Cali Cartel.

Added to these factors is the increased uncertainty about the economy stemming from the political crisis. To prevent a further slowdown, the official expressed support for "cutting interest rates and minimizing the uncertainty through pacts with all the political forces."

Goals Maintained

The monetary authority and the government are maintaining the principal macroeconomic goals for this year. In other words, they trust that inflation will be 17 percent, the growth in the GDP will be 4.5 percent, the financial system's loans will increase 29 percent as a maximum, and devaluation will reach 13.6 percent.

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With respect to the latter point, Urrutia and Perry claimed that, in the worst case, devaluation at the year's end might stand at slightly above 17 percent, if the dollar price continues to be pegged to the ceiling of the exchange band. However, they said that it would not exceed that level, because the Central Bank will continue to intervene in the market.

"Maintaining the band has lent the economy security and confidence," declared Urrutia, obviously referring to comments made by economic guilds calling for its modification or elimination.

Colombia: Perry Rejects ANDI, Analdex Statements

96SM0259A Santa Fe de Bogota EL TIEMPO in Spanish 19 Apr 96

[Received via Internet]

[FBIS Translated Text] Yesterday, Finance Minister Guillermo Perry Rubio acknowledged that the economic adjustment was sufficient. He questioned figures from ANDI [National Association of Industrialists], and the request from Analdex [National Association of Exporters] for a modification in the exchange band.

The government and the Central Bank's board of directors were put on the spot yesterday by the Congress, which questioned the economic management and its recessive effects on national production.

In a debate held by the Chamber of Representatives' Third Commission, both Liberal and Conservative congress members maintained that the chief problems for the economy are associated with violence, unemployment, high interest rates, and political uncertainty.

The congress members' consensus was that the government and the Central Bank are disregarding the country's real situation, and minimizing the effects of the monetary and exchange policy.

The Liberal representative, Fernando Tello, remarked: "We are engaged in a debate of the deaf and unbelievers. Scoring the critical situation of industry, the congressman told Finance Minister Guillermo Perry Rubio: "If you cannot see what is happening to the country, I would recommend that you consider resigning."

Representative Fernando Tamayo, for his part, claimed that the country's principal problem is violence. He asserted: "There is more pessimism among investors today because of the phenomena of violence than because of the political instability. Instead of the government's continued practice of populism, investment should be directed toward saving the country."

According to the congress members, another disturbing factor is the confusion that prevails regarding the true figures on economic performance, and the very different positions assumed by the business associations and the government.

Joining in the questioning were congressmen Pablo Victoria, Gabriel Zapata, and Nelson Amaya, who criticized the management of public finances and the monetary pressure. In the Senate, congressman Luis Guillermo Velez recently questioned the growing deficit in the balance of payments' current account.

Defense of the Government

The finance minister responded to the criticism, claiming that the "artificial boom in which we were living required a soft landing, because there was a prosperity based on debt."

The official expressed disagreement with the pessimistic predictions of associations such as ANDI, because his view is that, in many instances, what the private polls show is one thing, and what is revealed by the DANE [National Administrative Department of Statistics] figures is something quite different. That was the case in January of last year, when ANDI reported that industrial production was growing at a rate of 8.5 percent, whereas it really increased 4.5 percent. For this reason, he called for caution with those polls, because there is a tendency to exaggerate things.

Nevertheless, the minister admitted that the monetary adjustment made in the economy is sufficient, and that the latter "was suddenly escaping our control."

He added: "When there are signs of a slowdown, what must be done is to adopt the appropriate measures." He acknowledged that mistakes were made in the monetary management last December, because the Central Bank allowed the interbank rate to rise to very high levels, and did not provide liquidity in time.

The minister also responded to Analdex, which had called for a modification in the exchange band. He remarked: "Anyone calling for a modification in the band, based on a private interest, is not doing the country any favor."

The Central Bank's manager, Miguel Urrutia Montoya, for his part, declared that one of the things that must be avoided is an exchange problem extending into the future, so that what happened to Mexico will not occur for us. Hence, it is necessary to reduce the deficit in the balance of payments current account. However, he noted that, in this area, there is no threat to the future, because the deficit has been stabilized.

Urrutia agreed that one of the country's main problems is insecurity, which is depriving the Colombian economy of two points of growth every year.

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He also claimed that neither this government nor the previous one has used the exchange rate to reduce inflation. Thus far this year, the Central Bank has intervened with $300 million, to prevent the devaluation from accelerating.

Colombia: No Cuts Planned in Military Budget

96SM0259B Santa Fe de Bogota EL TIEMPO in Spanish 19 Apr 96

[Received via Internet]

[FBIS Translated Text] After the incidents in Puerres (Narino), where the FARC [Revolutionary Armed Forces of Colombia] murdered 30 members of the military, the national government retracted its decision to cut the Armed Forces' investment budget for this year by 18 billion pesos.

The decision, which demonstrates a clearcut government support for the public forces, was made by the chief executive after several consultations with the members of his economic team, headed by Finance Minister Guillermo Perry Rubio.

Last January, after various agreements with the military forces command and the Defense Ministry, the national government decided to cut 18 billion pesos from the original investment budget for 1996, estimated at 316 billion pesos.

That reduction would have affected the public forces' logistical support operations severely, from the standpoint of supplies and flight hours for helicopters, spare parts, and basic operational equipment.

The national government's decision clears the way for the purchase of the ordnance required for the different military operations associated with law and order, and facilitates the contracting process for the military and police forces, which had been visibly impaired.

This report, combined with the measure establishing special law and order zones, announced last Wednesday by Defense Minister Juan Carlos Esguerra, are part of a package of measures aimed at restoring law and order in various parts of the country.

Minister Esguerra commented: "This constitutes significant support for the work performed by the public forces in every corner of the national territory, in their battle against the various destabilizing agents in the country."

Colombia: Article Views Defense of Nation

PA1904181896 Santa Fe de Bogota EL TIEMPO in Spanish 18 Apr 96

[Article by EL TIEMPO Assistant Director Enrique Santos Calderon: "Who Is Defending Colombia?" — received via Internet]

[FBIS Translated Text] When I warned in my last article that the guerrillas were staking everything they had and that public order was going to have a somber outlook, I did not think it would be so quick and brutal.

The ambush the FARC [Revolutionary Armed Forces of Colombia] perpetrated in Narino Department, which is the ambush that has caused more military casualties than in the last 30 years, indicates the extremes of confrontation our domestic war is reaching. Following the "armed strike" by the ELN [Army of National Liberation], in the midst of the daily attacks on police posts in towns and cities and the rocket attacks on Santa Fe de Bogota's Riflemen's School [Escuela de Carabineros], the guerrillas carry out this new action, the scope of which shows how the level of confrontation has increased. Let's be prepared for what is coming.

The massacre of more than 30 soldiers who were protecting the Trans-Andean oil pipeline astonishes us because of the coldness in which it was perpetrated and the number of victims. However, it must not surprise us. The rebels have declared war on the government, and this was an act of war against a military target.

President Samper said that "no one can regard these types of events as acts of war, because, in addition to being cowardly and terrorist acts, they are barbaric acts." The president is wrong, because they may be as barbaric and cowardly as they could be, but they stem from the sordid logic of our armed conflict.

We are not dealing with the confrontation of two regular armies at a conventional battlefield, following a protocol and rules of the game. It is an underground and dirty war in which all humanitarian rules are broken and in which the enemies of the established public order deal increasingly vicious and destructive blows on us.

We must be realistic here. The names used to describe them have little meaning: "barbarians," "dinosaurs," "bandits," "terrorists," "narco-guerrillas." All these names fit, but they are useful only to relieve indignation and anger.

And unless Samper is able to go about and enforce the death penalty he has proposed for guerrilla leaders, neither the security councils nor the improvised emergency

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and internal disturbance decrees are useful. Their effectiveness is debatable, to say the least, if we analyze them in the light of the progressive subversive predominance.

We had better ask ourselves how and why the guerrillas have been able to gain regional, military, and economic clout; how the intelligence services are failing and how we can improve them; why the armed forces continue to make the same mistakes and contravene their own security guidelines; how to internally reorganize the Army to fulfill its mission better; what legal measures, institutional changes, and social reforms we must implement for the state to be less vulnerable to subversive actions.

However, today's main concern refers to the guerrilla offensive's implications on the country's growing ungovernability. It is true that we have withstood guerrilla attacks for many years; however, on very few occasions have the rebels been so aggressive. It is an unprecedented situation of political instability and economic uncertainty.

To make matters worse, the guerrilla assault was added to another violent factor of dark origin, which was already proven to be linked to the political crisis. We are talking about the kidnapping of President Gaviria's brother, which was attributed to the enigmatic "Dignity for Colombia" group. It claimed responsibility for the other terrorist actions that have been carried out during this process: the Medellin attack, lawyer Cancino's foiled kidnapping, Alvaro Gomez's murder, and now Juan Carlos Gaviria's kidnapping.

There are no coherent political connections whatsoever between these events, and the arguments with which an explanation was attempted completely contradict one another. However, we are already noticing that we are dealing with deliberate connections and confusion, which are used to throw us off track regarding the masterminds' identity.

The only thing these actions have in common are the initials under which they hide, their intimidating intentions, their destabilizing effect, and the fact that they are aiming against the system's symbols, whether it is the sculpture made by the former defense minister's father, the president's lawyer, a president's prominent opponent, or a former president's brother.

A brilliant expert on violence remarked — and I concur with him — that we have to understand that these events are drug trafficking's "subliminal messages" to the establishment. Drug trafficking is trying to shake it, beyond its internal contradictions, by dealing blows on its representative figures, as a sinister warning about what they are capable of doing if they are pressured too much and, above all, if extraditions are intended to be revived.

All this is hidden among confusing political messages and grandiloquent patriotic slogans. The contents of the first communique issued following the kidnapping of Gaviria, which stated that the gringo intervention, not drug trafficking is the country's problem, tends to confirm the theory on the origin of the mysterious group. Using Luis Carlos Galan's image and vindicating that of Maria Eugenia Rojas are part of the deliberate confusion.

Anyway, involving former President Gaviria and creating a serious, additional factor of collective intimidation and institutional destabilization are one of the effects of this kidnapping. We are witnessing the emergence of a new type of narcoterrorism.

This happens in a government that has lost all ability to handle public order. We will have to seriously ask ourselves if a president overwhelmed by his personal problems and more devoted to defending himself than defending his fellow nationals is the most suitable person to lead the battle Colombian society demands against those who attempt to make it give in through attacks and kidnappings.

Colombia: Army Said To Have 50 Percent Equipment Deficit

PA2004014896 Medellin EL COLOMBIANO in Spanish 12 Apr 96 p A2

[FBIS Translated Text] Santa Fe de Bogota (Colprensa) — Army Commander General Harold Bedoya Pizarro has said the institution under his command has an equipment deficit of approximately 50 percent of its needs, and he has noted that this is the main difficulty in combating the guerrilla forces in Colombia, because the subversives handle larger budgets.

General Bedoya has said the guerrilla forces handle enormous sums of money to buy instruments and weapons resulting from their criminal activities while the funds of the entire Armed Forces, Army funds in particular, are limited.

According to official reports, the FARC [Revolutionary Armed Forces of Colombia] collected over 500 billion pesos in 1995 alone by collecting "protection" money, including that from industrialists, pillaging towns, and trafficking in drugs in particular.

"The resources of the Defense Ministry and the Army are very deficient in many areas, especially in services and equipment. We have approximately 40-60 percent of the equipment needed," General Bedoya has said.

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Aviation

General Bedoya also has said the new airplanes that will make up the military's Air Force will be operational by year's end, not in a few days, as reported by some of the media, because the acquisition process is very slow.

"I wish we could have them in service by July," Bedoya has told RCN [Radio Cadena Nacional].

The government budgeted $90 million last year to create the so-called Military Air Force so the military's ground forces could have greater mobility to confront the enemy.

Moreover, General Bedoya again has said the main routes for trafficking weapons into Colombia were in the Uraba and Rio Atrato regions. The rifles most often seized are Russian made AK-47's that come from Central America, General Bedoya has said. Intelligence reports indicate that a large amount of weapons is circulating in the black market without an addressee because of the termination of the majority of internal conflicts in the Central American countries.

Moreover, General Bedoya has reaffirmed that the guerrilla forces are still recruiting minors to reinforce their squadrons, because "it is easier to convince a child than an adult."

General Bedoya has recalled that in Caqueta Department lists of children linked to guerrilla forces had been found. Many of these children were killed.

Paraguay

Paraguay: Minister Says Oviedo Must Give Up Post 23 Apr

PY2304030596 Lambare Paraguay Radio Cardinal in Spanish 0120 GMT 22 Apr 96

[Interview with Defense Minister Hugo Estigarribia at the Colorado Party headquarters in Asuncion by Beatriz Maldonado at the site and Mina Feliciangeli and Victor Benitez in the studio — live]

[FBIS Translated Text] [Maldonado] What can you say about the events that took place today, Minister?

[Estigarribia] The president made a decision. Using his legitimate authority, he ordered the retirement of General Oviedo. This is a decision that must be obeyed, whoever it may hurt. The institutionality of the Republic is above any personal ambition.

[Maldonado] Any questions from the studio?

[Feliciangeli] Good evening, Minister.

[Estigarribia] It is a pleasure to speak with you, Mina.

[Feliciangeli] We want to ask: Do you know what concretely motivated the order relieving Gen. Oviedo?

[Estigarribia] It was a decision made by the president. We learned of it this afternoon at 1700 during a cabinet meeting. The president has his own reasons for making such decision. The only thing I know, Mina, is that this decision must be obeyed. It is an institutional decision of the commander in chief of the Armed Forces in the exercise of his legitimate authority, and Gen. Oviedo has no other alternative than to obey it.

[Feliciangeli] Yes, certainly. Does Gen. Oviedo continue to refuse to turn his command over?

[Estigarribia] Yes, but this position cannot last much longer, Mina. Tomorrow Gen. Noguera will proceed to change the commander of the Army and Gen. Oviedo will have to obey; otherwise, he is exposing himself to serious sanctions.

[Feliciangeli] At what time will the change of command take place?

[Estigarribia] Early in the morning.

[Feliciangeli] What sanctions is he liable to receive?

[Estigarribia] This is an act of rebellion in face of a legitimate act of authority by the commander in chief. We know that in the chain in command, the subordinate must obey the decision of his superior. Disobedience represents insubordination, with the legal, penal, military consequences that imply.

[Feliciangeli] Is it true that the president relieved Gen. Oviedo from his post as commander, but now, with this act of rebellion, his retirement is eminent?

[Estigarribia] The president's decision is correct from the legal point of view. He ordered that Oviedo be relieved and his position placed at the president's disposal. The Armed Forces promotion panel will meet in May and it will probably evaluate Gen. Oviedo's behavior.

[Feliciangeli] Thank you very much. Any more questions?

[Benitez] Good evening, Minister. Does this evident act of rebellion by Gen. Oviedo make him the object of some sanction right now, like disciplinary imprisonment, or anything of the sort?

[Estigarribia] Right now I cannot anticipate this because this is a non-declared resistance. The offense could take place at the moment of the relief, which is the legal moment in which he will officially have to turn over his command. So far, everything is hypothetical, but this situation could take place, Victor.

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[Feliciangeli] Are there any military officers supporting Gen. Oviedo right now?

[Estigarribia] I do not know, but I can assure you that the great majority of subordinates of the commander in chief of the Armed Forces respect his order right now.

[Benitez] Wait a minute. Does this mean that we will have to wait the whole night to see how Gen. Oviedo will react tomorrow morning?

[Estigarribia] No, Victor, I do not think it is so. Things are calm. I think that the people and Gen. Oviedo know perfectly well that a coupist adventure will not work at this moment of our democracy.

[Benitez] What does this mean, Minister? Will we soon learn that he will surrender his rebellious attitude? The people need this tranquillity; they must learn whether or not Gen. Oviedo will obey the order of the commander in chief.

[Estigarribia] I think that we can no longer speak of attitudes of rebellion or disobedience. The decision was made and must be obeyed and that is categorical.

[Feliciangeli] Thank you very much, Minister.

Paraguay: Colorado Party May Hold Elections 28 Apr

PY2304122296 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1600 GMT 22 Apr 96

[FBIS Translated Excerpt] The internal elections of the National Encounter Party are over and the situation is calm. The Colorado Party internal election issue is, however, hot and tense, and followers are not even sure if the election will happen at all.

There are two possible scenarios, both unofficial. The more important of the two states that Colorados will be unable to hold their elections on 28 April because new petitions to stop it will be filed at the electoral court.

Meanwhile, this weekend Blas N. Riquelme, one of the candidates competing for party president, had very harsh words against many Colorado Party members, including Colorado Party President Eugenio Sanabria Cantero who answered Riquelme's accusations that he is lazy, a lackey, and a thief:

[Begin Sanabria Cantero recording] I want to tell the Colorado Party members that a gentleman who, until today, has permanently been saying — "I had a candidate imposed on me. I cried as I left the meeting where this candidate was imposed on me." — shows he is unable to make his personality and will prevail. The least he could have done would have been to keep quiet about his incapacity to oppose the candidate he says was imposed on him. This gives us an idea of what type of person he is. I will tell you more: Everyone knows Blas N. Riquelme met, at some point in his life, a Captain or First Lieutenant Andres Rodriguez, and that — thanks to this gentleman — he is now what he is from the economic point of view. The entire country knows that. Now, with great flippancy, he discredits General Andres Rodriguez. Gen. Rodriguez is not my personal friend. I am bound to him by a friendship resulting from respect for a person who opened the locked gates of democracy on 2 and 3 February [1989], together with his Paraguayan Armed Forces peers. [end recording]

Members of the Colorado Party executive board and party members who will vote at the 28 April elections — if they take place — have explained that there is great party fervor. It has also been said, Mr. Sanabria Cantero, that Blas Riquelme is using his last energy because he has lost the political support previously granted to him by well-known people who subsequently left him off the list of candidates.

Paraguay: Oviedo To Be Replaced 'With or Without Him'

PY2304123896 Asuncion ABC COLOR in Spanish 23 Apr 96 p 8

[FBIS Translated Text] Defense Minister Hugo Estigaribia said on 22 April that the ceremony in which General Lino Oviedo will leave his post as Army commander in chief will take place on the morning of 23 April "with or without him."

President Juan Carlos Wasmosy said the military officer will be replaced by General Oscar Rodrigo Diaz Delmas. This decision caused Gen. Oviedo to react on 22 April and to confine himself to barracks inside the First Army Corps facilities from the moment he learned of the president's order.

The minister explained: "The president ordered his replacement and, from the legal point of view, Gen. Oviedo is now at the disposal of the commander in chief. A possible decision by the Promotion Board will put him on the retirement list."

Estigaribia added that until the ceremony takes place, probably early this morning, the Paraguayan people will remain alert.

The minister pointed out that if the general refuses to comply with Wasmosy's decision, he will be charged with insubordination and may be punished.

The minister added: "The charge of rebellion already applies and I hope he [Oviedo] gives up his attitude. If this does not happen, there will be a case of

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insubordination. So far, the situation is under control and I believe it will not become worse because a coupist adventure would be difficult."

He said the president of the Republic made an institutional decision and that this morning, "with or without" Oviedo, Gen. Diaz Delmas will be installed as the new Army commander. He pointed out that the people are calm and that, in case of any possible incident, the National Police and loyal members of the Armed Forces are alert.

Paraguay: Wasmosy, Military Commander Discuss Retirement

PY2204190796 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1600 GMT 22 Apr 96

[FBIS Translated Text] Generals Silvio Rafael Noguera and Lino Cesar Oviedo met with President Juan Carlos at Government House this morning. It was reported that the two general and the president discussed the reprogramming of the Army budget and a possible promotion for Gen. Oviedo.

The commanders of the Military Forces and the Army, respectively, entered Government Palace through one of the side entrances. After nearly one hour with the president, Gen. Silvio Rafael Noguera said they must reprogram the Armed Forces budget as a result of the cuts introduced. The Air Force and Navy commanders did not participate in the meeting.

[Begin recording] [Gen. Noguera] We need to adjust the operation of some institutions to the new budget situation. You know our budget has been cut. We adjusted our budget proposal as indicated by the Finance Ministry, but the Congress reduced it further by significant amounts. We are studying what we can do within what has been assigned to us, and how to go about reprogramming our budget to compensate for the cuts.

[Reporter] In other words, the discussion was not about further reducing military spending.

[Noguera] No. We are trying to find the way to operate with what has been assigned to us. [end recording]

Gen. Noguera said the president can retire him today if he deems it convenient. This was his answer when asked if he was going to retire in May, and be replaced by Army Commander Gen. Lino Cesar Oviedo, who will thus obtain the four stars as Army general.

[Begin recording] [Noguera] That depends on the president of the Republic. He is the commander in chief. He is the only person who can decide on my retirement.

[Reporter] Could you retire in May?

[Noguera] Even today. [end recording]

The current military forces commander has completed just one year of the five year term he is entitled to as Army general, according to military regulations and the law. Meanwhile, legislators are already commenting whether they will agree to the promotion of Division General Lino Cesar Oviedo to the rank of Army general.

Paraguay: Oviedo Said Confined to Barracks

PY2204192596 Lambare Paraguay Radio Cardinal in Spanish 1900 GMT 22 Apr 96

[From Victor Benitez' talk program]

[FBIS Translated Text] According to reports, General Lino Cesar Oviedo has been confined to barracks and is in a state of rebellion [en rebeldia] as of 0100-0130 [0500-0530]. That is the report we have. I do not know what it means, but that is the report we have.

The cavalry is confined to barracks or something like that.

Paraguay: Army Captain Says 'Everything Absolutely Normal'

PY2204215696 Lambare Paraguay Radio Cardinal in Spanish 2030 GMT 22 Apr 96

[Relay by Victor Vazquez from Army Command Headquarters — live]

[FBIS Translated Text] We are across the street from the guard's booth. Captain Fernandez has just come out. Let us listen to what he has to say:

[Captain Fernandez] I have no information to share with you. I am quite aware of the work you are doing, but....

[Unidentified reporter, interrupting] Is he there?

[Fernandez] Yes, he is here.

[Reporter] Can he talk with us?

[Fernandez] No, he cannot because he is occupied. Unfortunately, your visit has been quite unexpected.

[Reporter] We only need 30 seconds to talk to him.

[Fernandez] I am afraid he does not even have a minute free.

[Several reporters speak at the same time]

[Unidentified female reporter] Do you have any official information about [Army Commander Division] General [Lino Cesar] Oviedo's retirement?

[Fernandez] There is nothing, absolutely nothing.

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[Reporter] The public wants to know what is really happening.

[Fernandez] I understand perfectly well, but, unfortunately, I have no information to give you at present.

[Reporter] What is Gen. Oviedo doing?

[Fernandez] He is conducting his normal business.

[Reporter] Could he not make an exception and talk to us for only 30 seconds?

[Fernandez] I am afraid that will be a most difficult thing to do because your presence here is quite unexpected. It is really impossible.

[Reporter] Does he plan to spend the entire afternoon here?

[Fernandez] He is working as usual.

[Reporter] What time will Gen. Oviedo leave?

[Fernandez] There is no arranged time. You know that we do not work fixed hours.

[Reporter] Have you talked with Gen. Oviedo?

[Fernandez] Yes, I have.

[Reporter] What did he say about the latest piece of news claiming that he has been sent into retirement?

[Fernandez] He did not make any comments at all.

[Reporter] But I am sure he knows about this.

[Fernandez] I thank you all for your interest; we are at your disposal.

[Reporter] Are there any irregular movements?

[Fernandez] Nothing at all; everything is absolutely normal. You can see with your very eyes that everything is quiet here. Thank you.

[Vazquez] These were Cap. Fernandez' remarks to the press. [end relay]

Paraguay: Oviedo Said To Give Wasmosy 'Deadline'

PY2204220796 Lambare Paraguay Radio Cardinal in Spanish 2130 GMT 22 Apr 96

[FBIS Translated Text] The latest news we have is that [Eugenio] Sanabria Cantero, Colorado Party Executive Committee chairman, left the 1st Cavalry Division headquarters in a blue Mercedes Benz, according to what a lady who telephoned us from there told us. He seemingly conveyed a message sent by the president of the Republic to the Army commander.

Maria Teresa Lopez, I am listening to you.

[Begin live relay by reporter Maria Teresa Lopez] Reports concerning the president's decision to send [Division] General [Lino Cesar] Oviedo into retirement here at Congress indicate that at 1700 local time, the Army commander allegedly gave the head of state a three-hour deadline to review the decree ordering his retirement so as to find an honorable way out to the whole affair.

Other information we have here is that the president of the Republic telephoned Congress President Milciades Rafael Casabianca [National Encounter Alliance, AEN] asking him to mediate between Gen. Oviedo and the head of state. This is why Casabianca is on his way to the 1st Cavalry Division headquarters to meet with Gen. Oviedo; Casabianca is accompanied by [AEN leader] Guillermo Caballero Vargas.

This is the information we have received from reliable sources. This is all we have, Victor [Benitez]. Thank you. [end relay]

Thank you, Maria Teresa.

Paraguay: Ret. General Rodriguez Arrives at 1st Army Corps

PY2204221396 Asuncion Radio Nanduti in Spanish 2150 GMT 22 Apr 96

[FBIS Translated Text] General Andres Rodriguez, retired, has just entered the premises of the 1st Army Corps. Obviously we could not speak with him, but the presence of General Andres Rodriguez here at 1st Army Corps has caused a lot of attention. He has just entered the premises.

Paraguay: Wasmosy Said To Retire General Oviedo

PY2204210796 Lambare Paraguay Radio Cardinal in Spanish 2215 GMT 22 Apr 96

[FBIS Translated Text] We repeat: Wasmosy has allegedly retired General Lino Cesar Oviedo.

According to reliable sources, President Juan Carlos Wasmosy, in his role as commander in chief of the Armed Forces, has signed the decree by which the polemical commander in chief of the Army, Division General Cesar Lino Oviedo, has been placed on the retired list.

The president's decision made General Oviedo very nervous; the latter ordered his troops to remain in their barracks and he declared himself to be in rebellion, according to our sources.

Oviedo received his order to retire with surprise and indignation, because everything pointed to the fact that Wasmosy would name him army general so that he

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could use the famous four stars, thus replacing General Silvio Rafael Noguera, commander of the Military Forces.

It was precisely this morning that a suggestive and very long meeting was held between Wasmosy, Noguera, and Oviedo in Government House, allegedly to discuss the best way to implement the budget of the Armed Forces, according to the commander of the Military Forces.

Wasmosy's surprise move is presumably due to fact that this possibility was rejected by the commanders of the Navy and the Air Force, Carlos Guillermo Lopez Moreira and Cesar Kramer, respectively, who oppose the eventual naming of Oviedo to the post of commander of the Armed Forces.

Up to the present time, no spokesperson, either from the Armed Forces or the Presidency, have confirmed or denied the insistent rumor that has spread like wildfire.

Paraguay: U.S. Embassy Said To Confirm Oviedo's 'Rebellion'

PY2204232896 Asuncion Radio Nanduti in Spanish 2235 GMT 22 Apr 96

[Conversation among Mark Jacobs, U.S. Embassy press attache and spokesperson; Humberto Rubin, owner of the radio station Nanduti; and Radio Nanduti anchorwoman Pepa Kostianovsky; after the issuance of a statement by the embassy spokesperson expressing U.S. Government support for the administration of Paraguayan President Wasmosy — live]

[FBIS Translated Text] [Rubin] Well, this is the first time that the U.S. Embassy, or the U.S. Government, has clearly said that Wasmosy has rebelled.... [corrects himself] sorry, Lino Oviedo.

This is really important; this was the statement by Mark Jacobs.

[Jacobs] Okay.

[Rubin] And I suppose that after this.... [changes thought] What else are you going....

[Jacobs, interrupting] Well, at this point I can't speculate, Humberto. I recommend that we remain in contact.

[Rubin] Yes, Pepa, what do you want to say?

[Pepa Kostianovsky] I would like to know how the U.S. Embassy obtained the official version of this, because all we have is rumors, and we know and we comment on them as rumors. Yet the U.S. Embassy is disseminating as the official version the fact that the decree has been signed and that Oviedo has rebelled. Have you had any official information in this regard, Mr Jacobs?

[Jacobs] Well, look, at this time I limit myself to what I have said, alright, and later on, when it is possible, I will speak again.

[Rubin] Well, we are going to repeat this in a very short while. You have this recorded. Please leave this well recorded. Please take out the recording now because this, as Pepa says, is the official version of the situation that is being experienced in Paraguay. This includes General Oviedo's rebellion, which we have been handling and reporting through commentary, but this is an official spokesman of Bill Clinton and of the State Department.

Paraguay: Colorado Party Issues Communique Backing Wasmosy

PY2304003896 Lambare Paraguay Radio Cardinal in Spanish 2352 GMT 22 Apr 96

[Communique of the Colorado Party read by Eugenio Sanabria Cantero, chairman of the executive board, at Mburuvicha Roga presidential residence in Asuncion — live]

[FBIS Translated Text] In view of the decision made today by Engineer Juan Carlos Wasmosy — our fellow party member, president of the Republic and commander in chief of the Armed Forces — and,

Considering that it is a constitutional power of the commander in chief of the Armed Forces to appoint and to remove senior officers; and,

Taking into account that the respect for the republican institutions and the obedience to legitimately installed officials are essential conditions for consolidating the democratic system;

The National Republican Association, ANR, faithful to its republican and democratic traditions, hereby strongly expresses its solidarity with our fellow party member, in his role as president of the Republic and commander in chief of the Armed Forces.

Thus, the ANR executive board hereby decides to express its support for the decision made by the commander in chief of the Armed Forces in keeping with his constitutional powers.

Second, the ANR urges all Colorado members nationwide to obey the measure and to remain calm and undisturbed at this momentous time for our Republic's life and to reaffirm their confidence in the legitimate officials.

The ANR hereby also urges all military officers to observe an unrestricted respect for the decision adopted by the president of the Republic and to stand firm in

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their tradition of supporting the republican officials as well as the much cherished desires of our people.

Signed: Eugenio Sanabria Cantero, chairman; Cristina Munoz, secretary.

Thank you.

Paraguay: Navy, Air Force Commanders Support Wasmosy

PY2204233696 Lambare Paraguay Radio Cardinal in Spanish 2258 GMT 22 Apr 96

[FBIS Translated Text] According to reliable reports, Navy Commander Vice Admiral Carlos Guillermo Lopez Moreira and Air Force Commander General Cesar Kramer have given their unconditional support for President Juan Carlos Wasmosy, in his capacity as commander in chief of the Armed Forces.

Moreover, the ultimatum issued by [Army Commander Division] General Lino [Cesar] Oviedo to find an honorable way out to this whole affair expires at 2000 local time [0000 GMT].

Paraguay: Executive Urges Support for Armed Forces Changes

PY2204230996 Asuncion RPC Television Network in Spanish 2340 GMT 22 Apr 96

[FBIS Translated Text] We have just learned about an exhortation made public through the media by those who are at present exercising political power in our Republic. The powers that be have just requested that the public, civilian society, rally outside Mburuvicha Roga [the official presidential residence] on Mariscal Lopez Avenue or outside Congress or the Court House at this juncture when our country is facing a most serious crisis.

As a politician rightly said this afternoon, this must be one of the hottest moments in the history of our nascent democracy, which saw the light of day in 1989. To that effect, the executive branch has called upon civilian society as a whole, regardless of individual political affiliation — political and social sectors, and community leaders — to rally together outside Mburuvicha Roga to support the measure the president of the Republic has adopted in his capacity as Armed Forces commander in chief to order changes within the Armed Forces.

Politicians are at present assessing this request. Still, they deem it advisable that this demonstration to show solidarity and support for democratic institutions should be held outside the president's residence this evening.

Paraguay: Wasmosy Retires Oviedo, Names Replacement

PY2304012496 Asuncion RPC Television Network in Spanish 2341 GMT 22 Apr 96

[Statement to the media by President Juan Carlos Wasmosy from Mburuvicha Roga, the presidential residence, in Asuncion — live]

[FBIS Translated Text] Fellow countrymen, today, 22 April 1996, using the attributions that are granted me by Article No. 238 of the Constitution and the Armed Forces Organizational Law, I informed Division General Mr. Lino Cesar Oviedo of my decision to dismiss him from the post of commander in chief of the Army and replace him with Division General Oscar Rodrigo Diaz Delmas.

This decision was made within the framework of the institutionalization and professionalization of the nation's Armed Forces, which have been carried out normally since I assmed the Presidency and the role of commander in chief of the nation's Armed Forces.

I have been making this type of decision since 18 August 1993, decisions that have affected numerous and excellent general officers of the Armed Forces, and my decisions were in no way opposed or resisted.

Carrying out the appropriate order, I named Army General Silvio Rafael Noguera, in his capacity as commander of the Military Forces, senior officer to General Oviedo, to preside over the ceremony of handing over and reception of the command of the Army with the appropriate ceremonies tomorrow.

Moreover, General Oviedo refused to obey my order.

In view of this very serious behavior on the part of the general, I must inform the population that my government remains firm in its decision and it will not tolerate any type of splits or weakening of the process of institutional normalization and the democratization of the country.

General Oviedo must immediately set aside his attitude and fully assume responsibility for these actions that insult the Republic and the international community. He must know that he will be fully responsible for the consequences that derive from these actions, and he also bears responsibility for those who, in one way or another, are accompanying him in this senseless adventure.

My government expects that the officers will serenely evaluate the delicate situation in which the nation is placed due to the attitude of General Oviedo. General Oviedo has risen up against the commander in chief's

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authority and against the republican and democratic institutions, which have functioned with absolute regularity since 15 August 1993.

This rebelliousness is extremely serious, and gravely compromises the military career and will compromise the military career and future of all military foci that support him in this absurd aggression against established order.

The people know that the democratization of the Republic was one of the basic postulates in the proclamation that was released on 2 February 1989, and that democracy demands that institutions and the legal authorities be obeyed.

In this respect, it is opportune to recall that the Constitution categorically states in Article No. 236:

Military or civilian leaders of a coup d'etat, armed revolution, or similar movement aimed at disrupting the order established by the Constitution who may eventually become president or vice president of the Republic or a cabinet minister, or hold a military post involving a senior rank, will be ineligible to hold any public office for two constitutional terms, in addition to their respective civil liability or criminal responsibility.

My government has decided that it will prevent the useless shedding of blood between fellow countrymen, but it will firmly oppose any attempt to destabilize the legal order.

In my role as president of the Republic and commander in chief of the Armed Forces, I have ordered all military units to continue to respect the military structure and the subordination to civilian power in accordance with the Constitution.

A very good evening, my dear fellow countrymen.

Paraguay: Oviedo Reportedly To Obey President's Order

PY2304021596 Asuncion Radio Nanduti in Spanish 0110 GMT 23 Apr 96

[FBIS Translated Text] Well, we are continuing to broadcast directly what for many politicians is the most serious crisis of the transition in Paraguay.

Let us go to one of the mobile units. Isidro, we are with you.

[Begin relay] [Isidro] Yes. We are here in front of Congress, in the plaza where sympathizers of the National Encounter Party and of the PLRA [Authentic Radical Liberal Party] and antiriot police are now arriving.

The sympathizers of these two parties are meeting here after President Wasmosy's announcement that he had retired General Lino Cesar Oviedo.

We are with Armando Espinola, a senator. You said you received a message, a call. What was it about?

[Espinola] We have received absolutely reliable information — that is how we see it — confirming that General Cesar Lino Oviedo is going to obey the order of the commander in chief of the Armed Forces.

Thus, he is going act within the framework of the law and the Constitution by subjecting himself to his natural chiefs. And this action will decompress a fairly tense situation that we had experienced, and finally allow the Paraguayan people to forget about these unjustified tense moments.

But, we make a call for tolerance under these circumstances so that we can begin tomorrow a new time for all Paraguayans, a time that will be free of these coup d'etat clouds, and accept General Oviedo, if he has not committed any unjustified actions, and if he obeys the order of his chief, within the political community, where he will be able to express himself and obtain a space. This is the path he should follow at this time.

[Isidro] Did you receive this information here in Congress, Senator?

[Espinola] I received it personally.

[Isidro] From military authority?

[Espinola] From people who are close to General Oviedo.

[Isidro] That he is going to obey President Wasmosy's order?

[Espinola] That it is General Oviedo's intention to obey the president's order and subject himself to the Constitution and the law.

[Isidro] Thank you very much. Senator Armando Espinola, a member of the PLRA, has already said that he had received the information that General Oviedo will obey the president. Good bye. [end relay]

This in no way can yet be confirmed until there is an official voice from the Calvary, or Lino Oviedo himself tells the media.

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Paraguay: Oviedo Said Holding Meeting With Army Officers

PY2304020296 Lambare Paraguay Radio Cardinal in Spanish 0130 GMT 23 Apr 96

[Live relay by Oscar Zapata from the 1st Army Corps]

[FBIS Translated Text] Calm reigns supreme at the 1st Army Corps. Still, we can see that there are some 25 servicemen posted at the main gate. We have reports that [Army Commander] General Lino Cesar Oviedo is currently holding a meeting with other military officers inside the barracks.

Paraguay: Minister Says Democracy To Emerge 'Consolidated'

PY2304032496 Lambare Paraguay Radio Cardinal in Spanish 0140 GMT 23 Apr 96

[Report by Beatriz Maldonado from the Colorado Party headquarters in Asuncion — live]

[FBIS Translated Text] Justice and Labor Minister Juan Manuel Morales has just arrived at the Colorado Party headquarters. He is now greeting a fellow party member at the main courtyard.

[Maldonado] Minister Morales, just a few words for Radio Cardinal. What is your assessment of what happened this afternoon?

[Morales] Well, we think we are witnessing a reaffirmation of our democratic system of government. This is additional proof that President [Juan Carlos] Wasmosy's decision will be obeyed. It goes without saying that we all expect that democracy will be definitely consolidated and that we will learn to live in peace and respect each other. I think that it was indeed — or rather it is — a difficult moment, but it also marks the prevalence of democracy and the authority of the president of the Republic.

[Maldonado] Could you explain, Minister Morales, why you said it was a difficult situation only to correct yourself by saying we are confronting a difficult situation?

[Morales] Perhaps I used the wrong tense because we are obviously going through a difficult situation. This notwithstanding, we believe that the problem will be surmounted and that democracy will emerge from this affair consolidated.

[Maldonado] Is [Army Commander General] Lino Oviedo still putting up resistance, refusing to go into retirement?

[Morales] Well, I think that the president was very clear about it and this is why he made such a decision. Events show that we all want democracy to be consolidated. We will shortly leave from here in a motorcade that will go to the president's residence to convey our greetings to him.

[Maldonado] Will you only go to greet the head of state rather than to the Congress Square....

[Morales, interrupting] We will also rally at the square, but the important thing is to express our support for the president of the Republic first.

[Maldonado] Thank you, Minister Morales.

Paraguay: Vice President Addresses Colorado Party Members

PY2304042596 Lambare Paraguay Radio Cardinal in Spanish 0210 GMT 23 Apr 96

[Address by Vice President Angel Roberto Seifart at Colorado Party headquarters in Asuncion — live]

[FBIS Translated Text] Mr. President of the Colorado Party, Messrs. vice presidents and members of the board of directors, presidents of Colorado Party precincts, civilian leaders, ladies of the Colorado Party, and the Colorado youth. [applause]

We are meeting here tonight in the Patio of Honor of the House of the Colorados to bring our support and solidarity for the president of the Republic, Engineer Juan Carlos Wasmosy, at a very difficult time [applause], at a very difficult time in our institutional life in which, regrettably, it would seem that the lack of good sense, greed, egoism, and paltriness have clouded the common sense of some of the members of our Armed Forces. [applause]

But we must not resign ourselves, and we hope that the clear minds, the good sense, the maturity, the sense of responsibility, and patriotism will illuminate the minds of these commanders and officers who, up to the present time, are resisting obeying an order that was issued today by the commander in chief and president, Engineer Wasmosy. [applause, shouts, slogans, hurrahs]

We are going to act with maturity; we will be serene, and act in moderation. We are currently facing a difficult time in Paraguay's institutional life.

The Paraguayan people and the Colorado Party have always identified ourselves with our glorious Armed Forces, and this is why we are calling on the commanders and officers to understand that in a democratic system such as the one that we are experiencing in this political transition, all the legitimacy of public power, civilian and military, is concentrated in the hands of the legally constituted authorities who have been elected by

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the sovereign will of the Paraguayan people. [applause, shouts, slogans, hurrahs]

To those units and commanders of the Armed Forces remaining loyal to the legally constituted authorities, we send them the most sincere expression of our admiration and respect. [applause]

I tell the Colorado people to remain watchful to defend the process of democratic institutionalization, which is being led by our party, that all the Paraguayan people dream about and desire. [applause]

We will remain calm but firm, and if it is necessary, we will call for a great mobilization of the party's popular bases. [applause]

But in the meantime, while the crisis lasts, I ask of the Colorados of Asuncion and of the Central Department that we take turns in keeping our eyes open and in guarding party headquarters, just like antennas that are willing to listen and scrutinize events that are taking place. [applause]

And if it becomes necessary, we will call on the Colorado campesinos, [shouts, applause] the workers, the students, men, women, and the youth, [shouts, applause] in order to defend democratic institutionalization, as our history tells us to do. The principles and eternal ideals of the war [words indistinct] of the Colorado Party. [applause]

Therefore, as of this moment this House of the Colorados must not remain empty until the crisis is defined, which I can guarantee you will end favorably in terms of the security of our people; for the dignity of the nation; for the prestige of the Republic; for the good of the Armed Forces; and for the freedom, justice, and happiness the Paraguayan people merit. [applause, shouts, slogans]

Paraguay: No Decision From Oviedo on Wasmosy Announcement

PY2304035896 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0230 GMT 23 Apr 96

[FBIS Translated Excerpt] [Announcer Benito Fleitas] Good evening. This is the latest news on the removal of Army Commander General Lino Cesar Oviedo, who is still confined to barracks at the 1st Army Corps in Campo Grande and has not yet made a decision following President Juan Carlos Wasmosy's announcement of his decision to send him into retirement, which was made at approximately 2340 GMT. [passage omitted]

Let's go to the presidential residence [Mburuvicha Roga], where most politicians and the public have rallied to express their support for the head of state's decision to send Gen. Oviedo into retirement. I am handing you over to our correspondent at the presidential residence, Alexis Cascopane.

[Cascopane] Thanks. Just a few minutes ago the defense minister, who had left some time ago, returned to Mburuvicha Roga and told the media that Gen. Oviedo has not yet accepted the decision made by the head of state in his capacity as commander in chief of the Armed Forces. We can therefore inform you that we are still awaiting an official communique from Gen. Oviedo reporting that he agrees to the decision of his commander in chief. The ambassadors of Argentina, Brazil, the United States, Spain, Bolivia, and the Papal Nuncio have just come in and are still at the presidential residence. Asuncion Mayor Carlos Filizola also came to the residence to express his endorsement of the president's decision and to convey to him that the Army commander has not yet taken heed of the commander in chief. We will be in touch as soon as we have some news for you, Benito Fleitas.

[Fleitas] President Wasmosy has received ample support from all sectors, even though Luis Maria Argana's Colorado Reconciliation Movement has not yet voiced an official stance. Nor has the Colorado Party's Democratic Traditionalism faction, led by Blas N. Riquelme, made its voice heard.

In general, the opposition parties, the PLRA [Authentic Radical Liberal Party] — representatives of which are currently meeting at the home of PLRA leader Domingo Laino — and the National Encounter Alliance have shown solidarity with President Wasmosy. Trade unions, particularly workers, have voiced their support for President Wasmosy as have all governments, especially those of the Southern Cone, which have upheld the head of government's democratic position.

Not long ago, OAS Secretary General Cesar Gaviria expressed his support for Paraguayan democracy and even announced that he could be in our country tomorrow morning.

The latest dispatch we received from La Paz, Bolivia, reports that the Rio Group today voiced its resolute support for and solidarity with President Wasmosy.

These are the latest bits of news. We have posted reporters at the Republic Park, where Gen. Oviedo's supporters are allegedly awaiting a response from the Army commander who, we repeat, is still confined to barracks at the 1st Army Corps headquartered in Campo Grande. We will be right back with more news.

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Paraguay: Oviedo Said 'Entrenched' at Cavalry Regiment

PY2304034796 Madrid EFE in Spanish 0242 GMT 23 Apr 96

[FBIS Translated Text] Asuncion, 22 Apr (EFE — Diplomatic sources have reported that General Lino Cesar Oviedo, who today rebelled after being fired as commander in chief of the Army by Paraguayan President Juan Carlos Wasmosy, has refused to review his position and he is demanding that he be replaced in his post before beginning negotiations with the government.

The sources, who asked to remain anonymous, told EFE that U.S. Ambassador Robert Service, Argentine Ambassador Nestor Enrique Ahuad, and Brazilian Ambassador Marcio Paolo de Oliveira tried to mediate with the general, but they were not allowed to enter the premises of the Cavalry Regiment, which is located on the outskirts of Asuncion, and where it seems that Oviedo has entrenched himself with his troops.

The sources added that a mediation between the general and former President Andres Rodriguez, who had Oviedo as his right hand man in the 1989 coup that overthrew General Alfredo Stroessner, has also been rejected by the rebellious general.

According to the sources, President Juan Carlos Wasmosy did not confirm the firing and Oviedo's rebellious attitude until Rodriguez, who it seems was in Buenos Aires, arrived in Asuncion to mediate in the crisis.

Paraguay: PLRA Senator Says Oviedo To Obey Orders

PY2304051796 Madrid EFE in Spanish 0321 GMT 23 Apr 96

[FBIS Translated Text] Asuncion, 22 Apr (EFE) — Senator Alfredo Luis Jaegli has stressed that Paraguayan General Lino Cesar Oviedo, who today rebelled after being fired as commander in chief of the Army, will on Tuesday obey the orders of President Juan Carlos Wasmosy and hand over his post.

Jaegli, a member of the Authentic Radical Liberal Party (PLRA), told a radio station that, according to information he had, Oviedo "is now much calmer, he is going to obey the orders, and this situation will return to normal."

The rebellion of this polemical general was not confirmed by the government until hours after a spate of intense rumors about the danger of an imminent coup d'etat.

Paraguay: Wasmosy Said To Have Lost Contact With Fighters

PY2304043496 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0345 GMT 23 Apr 96

[FBIS Translated Text] Army Commander General Lino Oviedo is still at the 1st Army Corps headquarters in Campo Grande. This notwithstanding, the latest reports we have received, which have so far not been confirmed, claim that there was a loss of contact between the commander in chief of the Armed Forces [President Juan Carlos Wasmosy] and Air Force units — Xavante fighter planes which were allegedly in the southern region of the country. We would like to reiterate that this information has not yet been officially confirmed.

Still, it was quite surprising that police personnel prevented people rallying outside the Mburuvicha Roga presidential residence to express their support for the head of state from staying there. Reporters were also told to leave the residence. It was thought that President Juan Carlos Wasmosy was going to make another statement, but this did not come to pass.

Paraguay: 'Arrangement' Between Opposition Party, Oviedo

PY2304054196 Lambare Paraguay Radio Cardinal in Spanish 0405 GMT 23 Apr 96

[Report by Victor Benitez and another unidentified reporter]

[FBIS Translated Text] [Benitez] I am wondering what happened to Casabianca [Congress President Milciades Casabianca of the National Encounter Alliance], because even though you and many other people may think that he has nothing to do with anything....

[Reporter] There is [reporter] Oscar Zapata coming in now.

[Benitez] Hey, Oscar Zapata, do you know if Casabianca went to see Lino Oviedo at the Cavalry Regiment?

[Zapata] That was the information we received, but we were unable to confirm it, Victor. We really could not confirm it.

[Benitez] That is what I mean. What happened to Casabianca? Why am I interested? I am interested because one of Oviedo's proposals was that if he leaves, quote, we all go, unquote. That is what he apparently said. That is what he told Wasmosy.

[Reporter] He said that to Wasmosy at Government House.

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[Benitez] I do not know where he told him that. The thing is, he told him that today. That means that if Oviedo retires, the president and the vice president will have to resign, or else there will be a coup d'etat and tomorrow morning Casabianca will be installed as president of the nation.

[Reporter] You mean he will be installed as acting president.

[Benitez] Yes, call him what you like, but it will no longer be Wasmosy or Seifart.

[Reporter] Why?

[Benitez] Because that is Lino's condition not to stage a coup d'etat. You see, it is obvious that Wasmosy will not resign. Yes, Maria Teresa, I can hear you.

[Maria Teresa] Victor, regarding what you have just said, there is a very insistent rumor here at the house of Dr. Domingo Laino [president of the Authentic Radical Liberal Party]. They have been saying here that telephone lines were about to be cut, and then they apparently confirmed this rumor. So once everything is arranged, Gen. Oviedo will go to the Mburuvicha Roga presidential residence to ask President Wasmosy and Vice President Seifart for their resignations, so that Congress President Milciades Rafael Casabianca would take over. However, since Casabianca is very close to Wasmosy, there would be some sort of an arrangement and Rodrigo Campos Cervera, first vice president of the Chamber of Deputies, would end up as president of the nation. I have heard that an envoy of Gen. Oviedo came a short time ago to talk to Domingo Laino. We tried to talk to this person, who we did not recognize, but were unable to.

[Benitez] Well, this means that I was on the right track. I did not know about all this.

Paraguay: Congress Leaders Arrive at Oviedo Headquarters

PY2304052996 Lambare Paraguay Radio Cardinal in Spanish 0420 GMT 23 Apr 96

[Live relay from the 1st Army Corps in Campo Grande, Asuncion]

[FBIS Translated Text] At this very moment a blue Toyota Land Cruiser bearing a San Bernardino license plate and carrying Milciades Rafael Casabianca [president of Congress and member of the National Encounter Alliance], Deputy Juan Carlos Ramirez Montalbetti [president of the Chamber of Deputies and member of the Authentic Radical Liberal Party, PLRA], [PLRA President] Domingo Laino, Senator Rodrigo Campos Cervera [first vice president of the Senate and PLRA member], and PLRA Senate Leader Luis Guanes Gondra are entering the 1st Army Corps headquarters. Campos Cervera's car and Deputy Montalbetti's pickup are coming behind the Land Cruiser, which is driven by a chauffeur. They have already entered the 1st Army Corps headquarters.

Paraguay: Laino, Campos Cervera View Crisis Talks

PY2304070896 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0540 GMT 23 Apr 96

[Question-and-answer session with PLRA President Domingo Laino and Senator Rodrigo Campos Cervera and unidentified reporters from the 1st Army Corps headquarters at Campo Grande, Asuncion, following the meeting between Congress leaders and Army Commander General Lino Cesar Oviedo — live]

[FBIS Translated Excerpt] [Domingo Laino, president of the Authentic Radical Liberal Party, PLRA] We would like to apologize for not being able to disclose any information, but....

[Reporter, interrupting] Dr. Laino, word has it that there are troops surrounding....

[Reporter, interrupting] There are troops three blocks from here.

[Reporter] What does General Oviedo have to say? Will he accept the decision....

[Laino, interrupting] I do not know anything about a mobilization of troops.

[Reporter] Why are lawmakers not duly supporting the president?

[Laino] But we are.

[Reporter] Will he accept the president's decision?

[Laino] I am here with Senate Vice President Rodrigo Campos Cervera and Chamber of Deputies President Juan Carlos Ramirez Montalbetti.

[Reporter] Could you answer some questions, Dr. Campos Cervera, please? Dr. Campos Cervera, please.

[Laino] The truth is we are conducting negotiations to try to come to a settlement and thus overcome a very difficult situation confronting the democratic process. I would therefore like to ask you to be patient and....

[Reporter, interrupting] Do you think you will be able to hammer out an agreement?

[Laino] Please bear with us because we are shouldering a major responsibility.

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[Reporter] What is your impression of Gen. Oviedo? Is he adamantly refusing to obey the president's order?

[Laino] The fact of the matter is that everything can be resolved through dialogue and negotiation. I do not think this is impossible; that is why we are optimistic about the fact that a negotiated settlement will be found to this whole affair.

[Reporter] The media are reporting that you are trying to politically capitalize on this situation.

[Laino] That is absolutely false. We are patriots and are first and foremost interested in our country and the Paraguayan people.

[Reporter] Could we listen to Dr. Campos Cervera's opinion?

[Campos Cervera] I wholly endorse what the PLRA president has just said. The PLRA is fully committed to the strengthening of our democratic institutions and, to that effect, it is making every effort to consolidate democracy and the transition process. [passage omitted]

Paraguay: Wasmosy Said at Naval Infantry Headquarters

PY2304060496 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0550 GMT 23 Apr 96

[FBIS Translated Text] According to unofficial reports, President Juan Carlos Wasmosy is at the Naval Infantry headquarters in the Sajonia neighborhood. He boarded a helicopter at the presidential residence and left for a more secure place in view of the possible deployment of military units supporting General Lino Oviedo, although we do not have any certain information about any such deployment despite the variety of rumors floating around this capital city.

Paraguay: Withdrawal of Decree Proposed To Avoid Crisis

PY2304074796 Asuncion Radio Nanduti in Spanish 0555 GMT 23 Apr 96

[Telephone interview with Senate Vice President Rodrigo Campos Cervera by Radio Nanduti announcer Humberto Rubin; place not given — live]

[FBIS Translated Excerpt] [Rubin] Finally I have reached Rodrigo Campos Cervera.

[Campos Cervera] My dear Rubin, how are you?

[Rubin] Good thing I finally got in touch with you.

[Campos Cervera] Look, I am calling you to straighten out some news that your radio station has been broadcasting, essentially that we were carrying the Army commander's proposal that President Wasmosy should resign. I would like to tell you that that information is not correct. The proposal we were taking to President Wasmosy was quite different. It had nothing to do with his resignation; rather it was aimed at at least temporarily resolving the matter by suspending the presidential order relieving General Oviedo, to deal with the matter more calmly later on, because right now there is a lot of tension which could lead to an unwanted and disagreeable situation.

[Rubin] We just reported the rumor that was going around today to the effect that Lino Oviedo had said that if he went, Seifart and Wasmosy were stepping down as well. We did not report anything else. What you have just told me is very useful because, as you know, the people want to know what is going on. I am asking you now. If it was up to you, or if you had to advise the president, what would you say?

[Campos Cervera] Well, I believe that there are cases where in the best interests of the country one must make sacrifices which under normal circumstances would be out of the question. I understand that if there is a possibility of resolving a conflict which may turn out to be bloody and extremely unpleasant, any sacrifice is worth it. Obviously it implies putting national interests ahead of personal interests.

[Rubin] You mean, the president tears up the decree and peace returns?

[Campos Cervera] At least then it will be possible to discuss the matter more calmly and to come up with institutional solutions which will preserve the institutional continuity.

[Rubin] Did Wasmosy ask you to go see Oviedo?

[Campos Cervera] It was our idea. Dr. Domingo Laino was particularly interested in resolving the problem, given the serious situation prevailing at the time we went to see Oviedo.

[Rubin] Who was with you when Gen. Oviedo stated the terms to overcome the crisis.

[Campos Cervera] Well, there was [Congress President Milciades] Casabianca, the president of the Chamber of Deputies, Dr. Guanes Gondra, and also Gimenez Gaona.

[Rubin] Gimenez Gaona was representing Wasmosy?

[Campos Cervera] I do not know; he was just there accompanying his brother-in-law, Casabianca.

[Rubin] So how did it go? Can you tell me more about it?

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[Campos Cervera] Well, the conversation centered on resolving this institutional problem without digging too deeply into the motives that could have led to it. It would seem that the Army under Gen. Oviedo's command is prepared to take undesirable steps, so we are interested in avoiding any kind of unwanted and bloody confrontation. [passage omitted]

Paraguay: 'Nearly All' Armed Forces Answering to Oviedo

PY2304072496 Asuncion Radio Nanduti in Spanish 0640 GMT 23 Apr 96

[Report by unidentified announcer]

[FBIS Translated Text] There is some information that is quite serious, very serious. One piece is that General Delmas [Oscar Rodrigo Delmas, chief of the Armed Forces General Staff] has not accepted the post. General Delmas has not accepted the post. And it seems that Delmas is loyal to Oviedo.

This is the piece of news that is very serious: Nearly all of the Armed Forces are allegedly answering to Oviedo.

Delmas has not accepted the post that was offered by Wasmosy.

It seems that at this time.... [changes thought] We were listening to [General Silvio] Noguera on a private line — maybe not so private — speaking over the telephone and he wanted to get in touch with Wasmosy, and it seems that Wasmosy did not take the call.

I believe that Wasmosy now has to count on the group led by [Police Commander] Mario A. Saprisa.

Paraguay: Wasmosy Reportedly Sent Resignation to Oviedo

PY2304073196 Lambare Paraguay Radio Cardinal in Spanish 0645 GMT 23 Apr 96

[Report by mobile unit reporter from Naval Infantry Headquarters—live]

[FBIS Translated Text] I am reporting from the headquarters of the Naval Infantry where Deputy Hermes Rafael Saguier [of the Authentic Radical Liberal Party] arrived a few minutes ago, asked to be allowed in, entered the military unit, and then left. He said that he had spoken with the officers of this unit, who told him that everything was fine. We have a report, however, that the deputy talked with the Naval Infantry commander and that according to unofficial reports, General Lino Cesar Oviedo has President Wasmosy's resignation in hand and will be sending Deputy Saguier this resignation by fax shortly.

Deputy Saguier left the unit wearing a very worried face and is on his way to Congress to report on this meeting. The Navy is on alert because it may be the first target of any reaction. This is the unofficial information we have.

Paraguay: Congress Leaders Deny Wasmosy Resignation

PY2304081096 Lambare Paraguay Radio Cardinal in Spanish 0705 GMT 23 Apr 96

[Live relay from Congress]

[FBIS Translated Excerpt] [Reporter Dolly Olmedo] I am here with [Colorado Party] Senator Juan Carlos Galaverna.

[Galaverna] First and foremost, pursuant to the mandate given my fellow congressmen, I would like to say, basing myself on direct sources, that it is not true that President Juan Carlos Wasmosy has resigned from office. That is only an unsubstantiated rumor, which we want to deny on the basis of direct sources. Second, Juan Carlos Ramirez Montalbetti, in his capacity as Chamber of Deputies president, and I, in my capacity as acting Senate president — we are awaiting the imminent arrival of our colleagues [Congress President Milciades] Rafael Casabianca and [Senate First Vice President] Rodrigo Campos Cervera — we are summoning the members of the lower and upper houses to convene at Congress.

There are already more than 36 of us, counting deputies and senators, and we hope we will be able to form a quorum at any time so as to be able to convene, pursuant to the provisions set forth in the Constitution and the laws for such circumstances as the ones our Republic is going through at present.

I would now like to give the floor to my distinguished colleague Ramirez Montalbetti so that he can elaborate on, confirm, or correct what I have just said. I would like to end by repeating that Wasmosy has not resigned his presidency and that Congress continues to firmly uphold the statement it made early this afternoon. I am handing you over to my colleague Ramirez Montalbetti.

[Ramirez Montalbetti] Well, Senator Galaverna has said it all. I think everything is very clear. We need to convene a meeting of the Chamber of Deputies and the Senate. We are having difficulties locating all congressmen, but you, the members of the press, will facilitate things so that lawmakers may come to Congress to start our deliberations and above all to support the decisions made by the constitutionally elected administration of President Wasmosy. [passage omitted]

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We are convening a joint session of Congress since, pursuant to Article 202 of the Constitution, Congress has the duty of ensuring observance of the laws and the Constitution. [passage omitted]

Paraguay: Oviedo Said To Claim 32 Generals at Army Post

PY2304083296 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0735 GMT 23 Apr 96

[News conference by Domingo Laino, president of the Authentic Radical Liberal Party, and unidentified reporters at his home in Asuncion after talks with Army Commander General Lino Oviedo at the 1st Army Corps headquarters — recorded]

[FBIS Summary] In a 10-minute news conference at his home in Asuncion, Domingo Laino, president of the Authentic Radical Liberal Party, PLRA, explains the PLRA's role in the proposal to have President Wasmosy withdraw the decree that relieved Army Commander General Lino Oviedo from his post. Laino confirms that the proposal indeed cropped up during his conversation with Gen. Oviedo but points out that it was not offered by the PLRA nor the president. Laino mentions that during the talks Gen. Oviedo mentioned that "32 generals were at that point meeting in the room next door."

Paraguay: Air Force Communique Supports President

PY2304085896 Asuncion Radio Nanduti in Spanish 0809 GMT 23 Apr 96

[Telephone interview with Lieutenant Colonel Luis Ocampo, spokesman for the Paraguayan Air Force, by announcer Humberto Rubin—live]

[FBIS Translated Text] [Rubin] Lieutenant Colonel Luis Ocampo, spokesperson for the Air Force.

[Ocampo] Yes, Humberto, I have a communique from the commander in chief of the Paraguayan Air force here in my hands that I would like to make public.

[Rubin] Yes, go ahead.

[Ocampo] It says: Communique from the commander in chief of the Paraguayan Air Force.

In view of the serious nature of the events that have been unleashed, starting with the clear resistance to complying with the order to hand over his command that was give to the commander in chief of the Army, and in view of the rumors that he has the support of all the Armed Forces, the commander in chief of the Paraguayan Air Force is making public his unrestricted compliance with the constitutional mandate to defend legitimately installed authorities.

As a nondeliberative institution, the Paraguayan Air Force has obeyed the decision of its commander in chief by invariably maintaining its compliance with and support for the political power in the democratization process and the institutionalization of the Republic. 23 April 1996.

That is all Humberto.

[Rubin] Who has signed it?

[Ocampos] The commander in chief of the Air Force.

[Rubin] Who?

[Ocampos] Division General Cesar Rafael Kramer Espinola.

[Rubin] I am asking because at this time... there is applause here in the studio. [applause] Very well, lieutenant colonel. Is there anything else, Luis?

[Ocampos] That is everything for the time being, Humberto. We are keeping a close eye on events, and when it is necessary we will contact you once again.

[Rubin] Thank you very much. Yes, colonel.

[Ocampos] I hope that this communique will help relieve the tension, and I hope that it establishes a clear position regarding the rumors that have been flying around.

[Rubin] Will it be difficult to speak with Kramer, Luis?

[Ocampos] Yes, I believe that for the time being it will not be possible, but as soon as the occasion arises, we will be very happy to make it possible.

[Rubin] I want to ask you something. As you know I am a poker player, I want you to symbolically pass if you do not want to answer. Enrique Riera said that 1600 tomorrow is the time of real risk, because at 1600 Delmas has to take over from Oviedo, and if he did not obey then measures of force will have to be implemented. What is the Air Force's position?

[Ocampos] I play poker, but as far as I understand what you are telling me, I will categorically tell you that I cannot release that information because it is not at the level of data that I receive, Humberto.

[Rubin] Without hitting me with a pass, you have told me something else which I think is a good thing. Thank you, Luis....

[Ocampos, interrupting] I cannot do so because any other information that I might give you could make the situation more serious.

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[Rubin] Please find Kramer. Tell him that it would be a good thing if Kramer could speak with us, Luis.

[Ocampos] I will do everything I possibly can.

Paraguay: Senator Says Oviedo, Wasmosy 'Refuse To Budge'

PY2304093796 Lambare Paraguay Radio Cardinal in Spanish 0840 GMT 23 Apr 96

[Interview with Senator Fermin Ramirez of the Authentic Radical Liberal Party by Radio Cardinal reporter Maria Teresa Lopez from Congress — live]

[FBIS Translated Text] [Lopez] The Senate is meeting at this time and Congress President Milciades Rafael Casabianca joined the meeting a short while ago. The meeting is confidential and is taking place in the office of the president of the Senate, who has said that he will first brief his colleagues on the negotiations he conducted in the wee hours of the morning and will report to the media later. We have Senator Fermin Ramirez leaving the meeting right now. Senator Ramirez, what did Casabianca report at this confidential meeting?

[Ramirez] He briefed us on everything that he has done, sometimes alone, sometimes together with other lawmakers, between 1600 this afternoon up to this time. He visited the president of the nation three times and the Cavalry Regiment three times, and his efforts were not successful.

[Lopez] Where is he coming from now?

[Ramirez] He was looking for the president and the vice president of the nation but he did not find them.

[Lopez] Why did you say he was not successful?

[Ramirez] Both parties refuse to budge.

[Lopez] What could this lead to?

[Ramirez] We are discussing the possibility of setting up a committee that will go looking for the president of the nation to meet with him.

[Lopez] You do not know where President Wasmosy is?

[Ramirez] Not so far.

[Lopez] Do you have an idea where he might be?

[Ramirez] It is rumored that he is somewhere on Navy premises.

[Lopez] Is that where the congressional committee would go?

[Ramirez] I have no idea. I understand the president of Congress has been inquiring around. There are some officials of the presidency of the nation who could help the congressional committee.

[Lopez] This was Senator Ramirez leaving the office of Congress President Milciades Rafael Casabianca for a while.

Paraguay: Foreign Minister Denies President Has Resigned

LD2304095396 Madrid TVE Internacional Television in Spanish 0734 GMT 23 Apr 96

[Telephone interview with Foreign Minister Luis Maria Ramirez Boettner by correspondents Julio Cesar Iglesias, Diego Carcedo, and Antonio San Jose on "The Radio One Breakfast Show"; Boettner in Asuncion, Iglesias, Carcedo, and San Jose in studio — live]

[FBIS Translated Text] [Iglesias] Good morning, foreign minister.

[Ramirez] Good morning. Here it is 0330.

[Iglesias] Here it is 0935. Minister, what is the situation in Paraguay?

[Ramirez] Well, it is a situation in which the president, as commander in chief, decided to end General Oviedo's mandate as commander of the army. Here there has been no attempted overthrow and no coup d'etat; that is absolutely untrue. What happened is that the president, as commander in chief, decided to allow General Oviedo end his post as army commander in chief.

[Carcedo] So, Minister, the rumor that the president could have resigned is false?

[Ramirez] Absolutely false. The president has not resigned; the president is in full exercise of his post, as are all his ministers.

[Iglesias] Meanwhile, Foreign Minister, do constitutional freedoms remain in force in Paraguay, or is there any possibility of a state of emergency?

[Ramirez] We have full freedom and full democracy, and we are consolidating it day by day, so the rumors which have been circulating are really totally false.

[San Jose] Minister, what is General Oviedo's attitude at the moment, and what support does he have in the Paraguayan Armed Forces?

[Ramirez] Well, General Oviedo (?is not implementing) the president's decision, (?and the president) has already appointed another general, (General Diaz Elba), as army commander.

[Carcedo] Is there any violence at the moment? Have there been any armed incidents?

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[Ramirez] Absolutely not.

[Iglesias] Meanwhile, Foreign Minister, are communications with the outside, as well as telecommunications contacts — communications by telephone and radio for example— still completely open, or are there by any chance any restrictions on them? I ask this because communications with Asuncion have been very difficult.

[Ramirez] There are no kinds of restriction. Unfortunately the lines are overburdened, so communication can often not be made. However, there are no restrictions of any kind, either of freedom, or communication, or movement.

[San Jose] You tell us General Oviedo is going to respect the Paraguayan president's order. However, the news we have say he has shut himself in, that he has fortified himself and is reportedly threatening the national government.

[Ramirez] No, there is no kind of threat. We are convinced that the head of the Army will hand over command tomorrow [23 April].

[Iglesias] Has he not handed it over yet, Minister? Is it simply that you have verbal or tacit evidence that General Oviedo will respect the president's order?

[Ramirez] It is 0330 here, so this will take place during the day. Changes of command do not take place at 0330 in the morning.

[Carcedo] But has he already said in advance that he is abandoning his rebellious stance?

[Ramirez] There is no armed movement of any kind at the moment. Tomorrow he is going to hand over command calmly.

Paraguay: PLRA Head Laino Views Talks With Oviedo

PY2304135496 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0735 GMT 23 Apr 96

[News conference by Domingo Laino, chairman of the Authentic Radical Liberal Party, PLRA, with a group of unidentified reporters in Asuncion — "about 50 minutes ago"]

[FBIS Translated Text] [Laino] Congress Chairman Rafael Casabianca of the National Encounter Party, told me he would be at my house within 15 minutes. He came down San Jose Street where Senator Rodrigo Campos Cervera, Deputy Juan Carlos Ramirez Montalvetti, and I were waiting for him. We got into his private van and went to the Cavalry where we met with General Lino Oviedo. In his office we met with a businessman, I believe.

[Reporter] Gimenez Gaona.

[Laino] Gimenez Gaona. I think he is a brother-in-law of the chairman of Congress. Anyway, we waited a few minutes until we were received by Gen. Oviedo. Rafael Casabianca, standing in front of Gen. Oviedo, explained that he had been negotiating this situation since 1600, that he was very worried. He commented, he told us about what had been discussed and all the proposals he had taken to Mburuvicha Roga [Presidential residence] to the president of the Republic. He told us he had been going back and forth, etc. After chatting a bit Gen. Lino Oviedo addressed us. He explained that in the neighboring room there were 32 generals, who were in a meeting. In sum, he explained his concern and we listened to him until a proposal surfaced to seek a negotiated solution and avoid any bloodshed which was our delegation's main concern.

[Reporter] What did the concrete proposal consist of?

[Laino] The concrete proposal was...[changes thought]...I was very sorry not to find the president of the Republic at Mburuvicha Roga later because we were returning from fulfilling a mission entrusted to us by the president himself, but we were told at the gate that the president was not there. Later a person dressed in plainclothes came and suggested to us that we enter through the back gate. We went to the back gate, along Aca Caraya Street, where we were told that we could go in, our names were registered but shortly afterward a counter order was received stating that President Wasmosy had gone to the Navy headquarters, that he was [word indistinct], he had gone there and that he was no longer at Mburuvicha Roga. In view of this information we no longer insisted on being allowed in because the president was not there. At that time we lost touch with Casabianca who had gone somewhere, he disappeared. As we were leaving we met with the Spanish ambassador. We chatted with him and then came here to continue talking.

[Reporter] What was the proposal?

[Laino] The proposal we carried was to maintain the status quo and continue to negotiate with more calmness. Naturally, we only conveyed the proposal. It wasn't a proposal made by us, it just surfaced during the chat with the chairman of Congress, Gen. Oviedo, and all of us there. The proposal consisted of canceling the decree signed by President Wasmosy and that, consequently, there would be no pressure to get any government official to resign. In sum, we weren't able to deliver the proposal to the president so I came home

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accompanied by the Spanish ambassador. We were discussing the situation, which is quite complicated, but I was able to get in touch with [Navy Commander] Rear Admiral Lopez Moreira. I told him we had been at Mburuvicha Roga to talk to the president but didn't find him there and that we had been told he might be at the Navy headquarters. He told me: No, he is not here. Anyway, give me your telephone number and I will get back to you. He also told me he was all for a negotiated political solution [word indistinct]. That is all we did. As you can see, this initiative was obviously not ours. It was not a PLRA mission, we were accompanied by the chairman and vice president of Congress. The vice president is of our party but the chairman belongs to the brother party National Encounter, and I believe all the rumors only distort the truth.

[Reporter] Dr. Laino, in your capacity as candidate for the presidency of the Republic, as an upholder of democracy, do you believe Gen. Oviedo's proposal is acceptable. Isn't it a form of blackmail against democracy?

[Laino] I cannot judge the ethical and moral standards of the proposal. At that moment we were only carrying out a mission. Our main concern was non-violence and to not bypass our constitutional framework. In other words, in our capacity as politicians who have always favored active non-violence, seeking democratic stability, enhancing our democratic system, and guarantee governability, we could obviously not refuse to carry out a mission that sought rapprochement between the parties to reach a negotiated solution.

[Reporter] What was the initial counteroffer, or better said, the initial offer by President Wasmosy. What did you offer Gen. Oviedo?

[Laino] Well, President Wasmosy really wants to avoid bloodshed. He told me he did not want this crisis to lead to bloodshed. I think it was a perfectly understandable human gesture that he should want to a avoid a clash between the parties in disagreement. We agree with him and this is why we carried out that mission.

[Reporter] Do you think this reveals a weakness in Wasmosy's stance? After signing a decree dismissing Gen. Oviedo from his post he then adopts a more flexible stance and asks for negotiations to avoid bloodshed?

[Laino] Well, I don't think he ordered his retirement to cause bloodshed. He made the decision in his capacity as commander in chief of the Armed Forces of the nation. In this document [not further identified] we clearly state this fact: ...he accepts the decisions taken, from the institutional viewpoint, by the president of the Republic in his capacity as commander in chief of the Armed Forces of the nation, in keeping with the attributions vested in him by the Paraguayan Constitution and laws.

[Reporter] Is that what he did?

[Laino] Well, we believe he did that in keeping with the Constitution but if later he realized that developments were taking a mistaken path, and fearing the unleashing of violence, he obviously wanted us to seek frameworks of agreements to avoid bloodshed. This is a humanitarian mission which, not only a politicians but a human being can never turn down, especially if we have a desire for peace as my party and I have.

[Reporter] It this stage of events could it be said your mission was a failure?

[Laino] Well, we felt rather surprised not finding the president at Mburuvicha Roga. We would obviously have liked to meet with him. I think he should have waited for us to arrive because I think Congress Chairman Rafael Casabianca was in contact with him. Casabianca came to my house from Mburuvicha Roga. He, Congress Vice Chairman Rodrigo Campos Cervera, Chamber of Deputies President Ramirez Montalvetti, and I all went in his van to see Gen. Lino Cesar Oviedo.

[Reporter] Dr. Laino, you talk about bloodshed. Who could cause bloodshed, who could trigger violence?

[Laino] Well, I couldn't because I have no soldiers or weapons under my command. Obviously, those who have the chance of using weapons are the ones who could cause bloodshed.

[Reporter] When you met with Gen. Oviedo did he seem firm, did he look as if he was willing to give anything?

[Laino] I cannot say if he would or would not give in. I have just received a very important phone call so we will have to suspend this news conference. [end recording]

Paraguay: Congress Leaders Say No Accord Reached

PY2304102796 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0850 GMT 23 Apr 96

[News conference by Milciades Rafael Casabianca, Senate and Congress president, and Juan Carlos Ramirez Montalbeti, Chamber of Deputies president with unidentified reporters at Congress building — live]

[FBIS Translated Text] [Reporter] What was the meeting you have just had?

[Casabianca] We discussed General Lino Oviedo's attitude, an attitude of clear rebellion, and his decision not

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to abide by the president's decision. We tried to mediate in order to prevent a possible armed confrontation. Thank God we have been able to avoid a confrontation so far. Unfortunately, we were unable to obtain an agreement between the president and Gen. Oviedo. Apparently the entire Armed Forces support Oviedo. Right now I cannot say what the solution will be. What we — Senator Rodrigo Campos Cervera who accompanied me during part of this negotiation and [Authentic Radical Liberal Party president] Domingo Laino — want to avoid is an armed confrontation. The Army is on the war path. Apparently they will remain where they are. They will not obey the president's order. They do not give any reason. They only say the democratic process, which they say they want to defend, is at stake. This is what they say. Therefore we are waiting to see what happens. I trust we will be able to continue mediating to avoid any consequences, as long as possible. I awaiting a call...

[Reporter, interrupting] What is the position of Congress?

[Casabianca] Here it is. I have a copy here.

[Reporter] Did Congress confirm its previous position.

[Casabianca] Of course.

[Reporter] Senator, are you saying the Armed Forces support Gen. Oviedo?

[Casabianca] Apparently yes. I cannot affirm that, but so far we do not have...

[Several reporters, interrupting] The Air Force...[words indistinct]

[Casabianca] ...in support of the president...that is good, I am glad.

[Reporter] How can you say a negotiated solution was not possible when the president's orders cannot be discussed.

[Casabianca] They do not respect the order. As an example, it is as if I order my son to do something and he just does not do it. They do not obey. They do not give any explanation as to why.

[Reporter] What did you propose to the general?

[Casabianca] We told him that the thing to do was to respect the order and defend the country's institutionalization process. That is what we told Gen. Oviedo.

[Reporter] Is the Congress position now to support the government?

[Ramirez Montalbeti] We have just finished meeting. We unanimously decided to form a commission. Deputy Bernardino Cano Radil and Senator Evelio Fernandez will write a document saying that we confirm what we said in the document we issued a few hours back. We decided to declare Congress in permanent session and call upon the entire citizenry to come here in front of Congress to defend our institutions. From here, we fully condemn the position adopted by the Army commander. We confirm our support for our institutions and President Juan Carlos Wasmosy's government. We invite the people to come here. We have been asked to contact embassies and other governments to make clear what the will of Congress is in this situation. Finally, we will also get in touch with the president of the Republic to convey to him our decision in person.

[Reporter] What will you do if Gen. Oviedo does not obey the president's orders?

[Ramirez Montalbeti] Congress decided to remain in permanent session and make a call to the people to come here to show support for our institutions. This means executive branch resolutions must be respected. There must not be any doubt about this. Congress has no doubt about what must be done in this case of insubordination, a de facto situation. We will continue to analyze the situation. We do not have arms. We only have the force of our convictions and the representation of a people who does not want to return to an era of violence, to an autocratic system. It is clear that we will stay here until the crisis is overcome.

[Reporter] Will Congress request Gen. Oviedo's dismissal and an inquiry?

[Ramirez Montalbeti] We have not spoken about that yet. We are still discussing methods. There is no point in discussing dismissal at this time. Gen. Oviedo must obey the president's orders.

[Reporter] Did Casabianca explain what happened during his meeting with Gen. Oviedo?

[Ramirez Montalbeti] Yes. I was also present. It is part of a mediation process. We were seeking to prevent violence and, above all, to determine what the situation is. It is obvious that the situation is not good because the general is not obeying the president's order and we are faced with a situation of uprising — sedition, this is the correct word. This is what moves Congress to stay here. We have heard the reports. From now on Congress does not want any approach with insubordinate groups; Congress as an institution that is. We want them to respect the president's decision.

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Paraguay: VP Urges People To Follow Normal Routines

PY2304095596 Lambare Paraguay Radio Cardinal in Spanish 0920 GMT 23 Apr 96

[Interview with Vice President Angel Roberto Seifart by Radio Cardinal reporter Baez; place not given — live]

[FBIS Translated Text] [Baez] Good morning, Dr. Angel Roberto Seifart.

[Seifart] Good morning to you too, and to your kind listeners.

[Baez] We are calling you in your capacity as vice president of the nation to calm the people, to keep them informed, or maybe to make them worry. It will all depend on what you may have to say about what they should do this morning. Many people have been calling us and asking whether they should send their children to school, whether they should go to work, whether stores should open as usual, whether public transportation will be available, etc. What can we tell all these people?

[Seifart] The people may go on with their life as usual, Baez. You can tell everyone that the citizenry can go on about its business as usual. There is no violence or confrontation. The various units of the Armed Forces are confined to barracks but they have not deployed, which means that the citizens may go about their business as usual. There are no reasons for not doing so. You can bring your listeners some peace of mind in this regard.

[Baez] Dr. Seifart, isn't it possible that there could be some armed actions by Army people to which the Air Force or Navy will have to respond? I am trying to make things as clear as possible. Is it responsible to tell the people to send their children to school, given the aforementioned possibility?

[Seifart] No, this possibility is out of the question for the time being, so the people should be calmed. Nor is the president of the nation or I planning to resign.

[Baez] That was the next thing I was going to ask you.

[Seifart] OK, and now I must hang up because I am using a cellular phone and the battery is running out.

[Baez] All right. Thank you very much, sir.

[Seifart] I would also like to call upon citizens to gather in front of Congress to follow developments and to remain watchful until the crisis is resolved so that the institutional order will prevail. Thank you, goodbye.

Paraguay: Navy Issues Communique Supporting Wasmosy

PY2304105696 Lambare Paraguay Radio Cardinal in Spanish 1000 GMT 23 Apr 96

[Navy communique read by Navy Lieutenant Luis Diaz]

[FBIS Translated Text] National Armed Forces, National Navy, General Headquarters, Asuncion, Paraguay.

The events that are publicly known determines a need for the National Navy to confirm its loyalty to his excellency Engineer Juan Carlos Wasmosy, president of the Republic and Armed Forces commander in chief, whose legitimate authority cannot be the object of controversies and must be respected by the entire citizenry, assured that his decisions must be obeyed without reservation.

The National Navy considers it a duty to make public its respect for the institutions and urges his Armed Forces comrades to reaffirm, at this hour, their irrevocable commitment to democracy and the process leading to its full implementation.

Signed: Commander Carlos Lopez Moreira.

Paraguay: Wasmosy 'Presumed' To Be at U.S. Embassy

PY2304105496 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1040 GMT 23 Apr 96

[FBIS Translated Text] Air Force Commander Cesar Kramer and Navy Commander Guillermo Lopez Moreira appear to be on the side of President Wasmosy, whose whereabouts are unknown. He is presumed to be at the U.S. Embassy in Asuncion, which has voiced its support for him along with other diplomatic missions and the OAS, which is scheduled to issue a decision within one hour on the difficult situation prevailing in Paraguay because of General Oviedo's resistance.

Paraguay: Trucks Loaded With Soldiers Enter Cavalry Unit

PY2304123596 Lambare Paraguay Radio Cardinal in Spanish 1055 GMT 23 Apr 96

[Report by Victor Vazquez from Remanso Bridge to Anchor Mina Feliciangeli —live]

[FBIS Translated Excerpt] [Begin recording] [Vazquez] Three trucks full of soldiers are just crossing Remanso Bridge; they are arriving at Mariano Roque Alonso. There are three trucks full of soldiers. We will see if they carry weapons. Right at this time the first truck is

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driving by us. They are soldiers... they are all carrying submachine guns with clips.

[Feliciangeli] Follow them, Victor, to see where they are going. Are you following them?

[Vazquez] Yes, we are very close behind them. [passage omitted]

[Feliciangeli] Vazquez, where are the trucks now?

[Vazquez] We have just passed the rural fairground, Mina. These soldiers look like children. They wave to the people on their way. They look as if they have no idea what they are getting into.

[Feliciangeli] This is crazy, they look like children, three truck loads of soldiers did you say?

[Vazquez] Three trucks full of soldiers.

[Feliciangeli] Are they driving to the First Corps then?

[Vazquez] It looks that way. We are getting close and we will call you again when we arrive. [passage omitted]

[Feliciangeli] Do you have any idea where they come from?

[Vazquez] They are from Cerrito [Chaco region, seat of the First Corp]. [passage omitted]

[Vazquez] The three trucks are driving to the First Corp. They will take the back entrance.

[Feliciangeli] Well, the three trucks are going to the First Corp. Army reinforcements, children, that is.

Paraguay: National Police Communique Supports Wasmosy

PY2304114196 Lambare Paraguay Radio Cardinal in Spanish 1100 GMT 23 Apr 96

[Communique issued by the National Police in Asuncion on 23 April 1996; read by Police Principal Superintendent Antonio Noguera, public relations chief for the National Police, and signed by Police Chief Superintendent Mario Agustin Sapriza Nunes, National Police commander]

[FBIS Translated Text] At a time when our national democratic future and respect for our constitutional institutions are at stake, the national police, faithful to their commitment to order and the fatherland, hereby express their unwavering loyalty to the president of the Republic and full support for the measure that he has taken, within the framework of law.

Signed: Police Chief Superintendent Mario Agustin Sapriza Nunes, National Police commander.

Paraguay: Oviedo Said To Threaten To Kill Wasmosy

PY2304134496 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1149 GMT 23 Apr 96

[FBIS Translated Text] Asuncion, 23 Apr (AFP-NA) — Journalists in the Paraguayan capital have reported this morning that General Lino Oviedo, Paraguayan Army commander in chief, threatened to kill President Juan Carlos Wasmosy when the latter announced his replacement on 22 April.

Reports published in EL DIA, directors of which are friends of the president of the Republic, asserted that the military officer "threatened to kill" the president for having dared to replace him.

Early on the morning of 23 April, Oviedo was in his bunker at the 1st Army Corps, while congressmen did not hide their concern over the threats by the military chief, who sought the resignation of President Wasmosy and Vice President Roberto Seifart.

Since 0100 (0500 GMT), the whereabouts of President Wasmosy have been virtually unknown and no civilian or military official could report where he was. Nevertheless, journalists at the Naval Infantry Headquarters on the Paraguay River banks, Sajonia District, reported the president is allegedly at this military unit.

The Navy and the Air Force have expressed their absolute support for President Wasmosy.

Paraguay: Uruguay Reiterates Support for Wasmosy

PY2304132996 Madrid EFE in Spanish 1233 GMT 23 Apr 96

[FBIS Translated Text] Montevideo, 23 Apr (EFE) — The Uruguayan Government today reiterated his "firmest support" to the Paraguayan democratic process and Paraguayan President Juan Carlos Wasmosy, recalling that democracy is the basic requisite for belonging to Mercosur [Common Market of the South].

The government headed by Julio Maria Sanguinetti issued a communique through its Foreign Ministry reacting to the situation created in Paraguay following Army Commander General Lino Cesar Oviedo's uprising.

The Uruguayan official communique recalls the unanimous decision by the Mercosur member presidents "that the full implementation of democratic institutions is indispensable" for remaining in the bloc.

The communique states: "International commitments contracted by Mercosur establish the full implementation of democratic principles as an essential element for

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the fulfillment of international obligations assumed by this regional group, of which Paraguay is a member."

Uruguayan Foreign Minister Alvaro Ramos visited Paraguay this month. Ramos discussed the need for the two smallest Mercosur member countries to unite to have more weight within the bloc.

President Sanguinetti has scheduled an official visit to Paraguay in June.

Paraguay: Moscow Expresses Support For Wasmosy

PY2304132496 Madrid EFE in Spanish 1303 GMT 23 Apr 96

[FBIS Translated Text] Moscow, 23 Apr (EFE) — Moscow today expressed support for Paraguayan President Juan Carlos Wasmosy in his struggle with General Lino Cesar Oviedo and said it hopes the "Paraguayan democratic process will not be interrupted."

"General Oviedo is known for being a "strong man," he has challenged the country's legitimate power and this situation could lead to undesirable consequences for the young Paraguayan democracy," said Russian Foreign Ministry spokesman Grigoriy Karasin.

The spokesman said Moscow "is closely following the development of events in Paraguay," which the official ITAR-TASS news agency labeled as "a serious worsening of the internal political situation due to the refusal of Army Commander General Oviedo to obey the order for his dismissal signed by President Wasmosy."

Paraguay: Portuguese, Venezuelan Ministers Condemn Military

PY2304141896 Madrid EFE in Spanish 1308 GMT 23 Apr 96

[FBIS Translated Text] Lisbon, 23 Apr (EFE) — The foreign ministers of Venezuela and Portugal, Miguel Angel Burelli Rivas and Jaime Gama, respectively, condemned today in this city the military effort to subvert democratic order in Paraguay.

Burelli Rivas, who concludes a two-day official visit to Portugal, met at noon today with his Portuguese counterpart to discuss bilateral matters and international policy.

During a news conference with Burelli Rivas at the Necesidade Palace, Gama expressed his "total support" for President Juan Carlos Wasmosy and condemned "the effort to subvert constitutional order." He added that democracy in Latin America is "irreversible."

Burelli Rivas said "military coups are no longer a practice in Latin America" and that the coup attempt in Paraguay "will be condemned by the entire Inter-American system."

He recalled the case of Haiti, which was the "greatest" proof that "any military coup will be isolated and will not last long."

Paraguay: Wasmosy, U.S. Envoy Said Meeting in Palace

PY2304143296 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1340 GMT 23 Apr 96

[FBIS Translated Text] President Juan Carlos Wasmosy arrived at Lopez Palace a few minutes ago. Here is a live report by Andres Caballero from the government palace:

[Begin Caballero relay] We are in direct contact from the government palace. A few minutes ago, President Wasmosy arrived at the government palace with U.S. Ambassador Robert Service, it is being said that Wasmosy spent the night at the U.S. Embassy. These are speculations because the president arrived here with the U.S. Ambassador. When President Wasmosy arrived at the palace everything was prepared, although some minutes earlier we had been told he was not coming. Interior Minister Diogenes Martinez arrived at the palace after receiving a message that President Wasmosy was going to meet him here. A few minutes later he said he had spoken to the president by phone and that they would meet somewhere else, but Martinez did not say where. Asked if he supported Wasmosy's decision to replace General Lino Oviedo, Martinez said that, like all other members of Wasmosy's cabinet, he fully supported the decision by the head of the executive branch.

As President Wasmosy arrived at the government palace, some people who watched his arrival from nearby buildings applauded him. Some cars that were passing along the avenue also blew their horns supporting the president's decision. This is all we can tell you now. During his short permanence at the government palace, the interior minister confirmed he will remain in his position.

President Wasmosy is currently meeting in his office with the U.S. ambassador, the interior minister, and other close aids. We will now go back to our studios. [end relay]

We now know clearly well where President Wasmosy is. His disappearance had complicated the situation because people feared for him.

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We must also report that OAS Secretary General Cesar Gaviria is arriving in Asuncion at 1130. He is now in La Paz, Bolivia, and has already contacted the Paraguayan executive branch, the media, and the diplomatic corps. Cesar Gaviria's support, as head of the OAS, is extremely important to defend the democratic process and President Juan Carlos Wasmosy's administration, just as the international community has been doing from the very beginning. They all support the democratic process because it would be very serious for the region if an institutional government were ousted.

A meeting of the diplomatic corps has also been announced for 1000 this morning. They will probably comment on the meeting.

At about 0900 this morning, Congress began a joint meeting presided over by Rafael Milciades Casabianca. This gives special emphasis to the normal activities of the democratic institutions, which is also represented by our National Congress.

Political parties are still meeting in front of the Congressional building and summoning people to gather there to defend the democratic process. Undoubtedly, the deadline to hear Lino Cesar Oviedo's decision will be 1600 this afternoon. [passage omitted]

Paraguay: Mexico Expresses 'Solidarity' With President

PY2304144896 Madrid EFE in Spanish 1347 GMT 23 Apr 96

[FBIS Translated Text] Mexico, 23 Apr (EFE) — The Mexican Government today deplored the disobedience by Paraguayan Army Commander General Lino Cesar Oviedo, "which could lead to an institutional crisis," and expressed solidarity and support for Paraguayan President Juan Carlos Wasmosy.

The Mexican Foreign Ministry released a communique expressing the government's concern over "news" that General Oviedo has rebelled after "being retired" by President Wasmosy.

The Mexican Foreign Ministry states that Ernesto Zedillo's administration "hopes" respect for legality and constitutional order will prevail in that "brother country."

President Wasmosy's decision to dismiss yesterday Gen. Lino Cesar Oviedo, who refused to obey the order, unleashed a crisis.

Paraguay: Supreme Court Declaration on Constitutional Order

PY2304150896 Asuncion Radio Nanduti in Spanish 1358 GMT 23 Apr 96

[Supreme Court declaration read by Supreme Court President Raul Sapena Brugada — live]

[FBIS Translated Text] Declaration:

In view of current developments, which began on 22 April 1996 and which are an extremely serious situation from the institutional viewpoint and are an alleged disruption of the juridical order, the Supreme Court of Justice, during a plenary meeting and by unanimous decision, hereby declares:

As the Judicial Branch is the guardian of the Constitution, in compliance with Article 247, and as the Supreme Court of Justice is its highest representative organ, it fully assumes the civilian and political responsibility to safeguard constitutional order which presupposes a state of law, and warns that it will not spare any act that may contribute to fully and effectively enforce it.

It expects those involved in these developments to reflect on the seriousness of the developments and act in compliance with the laws of the Republic to avoid the serious consequences of a rupture of the democratic state of law;

The constitutional and legal precepts consecrate clear and explicit juridical principles that represent a great responsibility for those who assume or promote situations that contradict the peaceful coexistence of the citizenry within a state of law.

Consequently, all members of the Judicial Branch, Supreme Court of Justice, courts, and lower courts, are alert to ensure that the state of law is respected.

Approved in the Hall of Agreements [Sala de Acuerdos] of the Supreme Court of Justice at 0800 on 23 April 1996.

Signed by all the Supreme Court ministers.

Paraguay: Wasmosy Speaks From Government House Balcony

PY2304145296 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1415 GMT 23 Apr 96

[Speech by President Wasmosy at Government House balcony — live or recorded]

[FBIS Translated Excerpt] My dear fellow countrymen, I thank you for this show of affection. We live in a world of upheavals, in a world where there are still

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social dissatisfactions. I thank you from deep in my heart for this show of affection, which I do not take as a victory over defeat — on the contrary.

I take advantage of this opportunity [applause, shouts] to tell all of you, who belong to different political affiliations, to respect each other despite our differences. There is something greater and superior: The purpose of this fatherland [applause].

I ask you to peacefully return to your homes [crowd shouts: no]. Let me get on with it. I have enough responsibility to face my obligations. I want to tell you, my dear fellow countrymen, I ask you to maintain calm, be tranquil, and be tolerant. We are working, all of us, because the government belongs to all of us, to build a better country.

We are walking the democratic path, implementing reforms. This is difficult, but with tolerance, patriotism, respect for each other, we can achieve our objectives. I repeat...[applause] let us gain experience from our inexperience. Let us be tolerant with those who sometimes — eager to do things well — do things wrongly; and I include myself here. [applause]

Fellow countrymen, let us work for this dear Paraguay, which deserves better days. Let us take advantage of this climate of full freedom. Very few times has this palace witnessed such a large crowd standing harmoniously [shouts, applause]. Let us stay like this, with prudence, with decency, and let things find their own level. Everything will be resolved, for everyone's benefit, without winners or losers. Thank you very much. [passage omitted]

Paraguay: Navy Office Says Oviedo Will Hand Over Post

PY2304151596 Madrid EFE in Spanish 1445 GMT 23 Apr 96

[FBIS Translated Text] Bogota, 23 Apr (EFE) — Captain Victor Hugo Amarilla, head of the Paraguayan Navy Public Relations Office, has told a Colombian radio station that General Lino Cesar Oviedo, the Paraguayan Army commander in chief who on 22 April did not accept being replaced, will officially hand over his position today.

Captain Amarilla has told Radio Caracol: "It is just an incident within the bosom of the Army that will be resolved by 1600 [2000 GMT]."

The Paraguayan source stated: "The problem is limited to Army circles and the developments are out of the jurisdiction of the Navy or the Air Force. These two Armed Forces branches maintain full respect for the legitimately constituted authorities."

Captain Amarilla added that President Juan Carlos Wasmosy "is working normally at the Government Palace," and that he spent the night of 22 April "at a military garrison."

Captain Amarilla said the conflict "must be resolved among them." The head of the Navy's Public Relations Office added: "This difficulty will soon be overcome."

Peru

Peru: Judicial Oversight Board Proposed

96SM0254A Lima LA REPUBLICA in Spanish 17 Apr 96

[Unattributed article: "Proposal To Create a Superintendency of Judicial Services" — received via Internet]

[FBIS Translated Text] The executive secretary of the judicial branch, Jose Dellepiane Massa, yesterday proposed the creation of a Superintendency of Judicial Services to process complaints against that branch of government and centralize the collection of the judgments awarded by judicial decisions.

He said this oversight board would ensure better organization of the judiciary, thereby providing a fairer and more timely administration of justice.

Retired AP [Peruvian Navy] Commander Dellepiane, who has been appointed chairman of the board, appeared before the Budget Committee of the Congress as principal signatory of the petition of the judicial branch, for the purpose of clarifying the limitations established by the Budget Law for the use of one's own funds and funds derived from donations and foreign loans.

He said these clarifications are essential in order to avoid infractions of Article 42 of the Basic Law of the General Budget of the Republic.

Dellepiane informed the members of Congress that the judicial branch has 119 million new soles to finance its modernization and reorganization—funds that represent the proceeds from a World Bank loan and a contribution by the United Nations.

He said the reorganization now in progress is intended to redeem the principle of authority within the judicial branch and enable the judiciary to have a structure consisting of competent personnel who have integrity and are impervious to the temptation to receive bribes and payoffs.

In this connection, he emphasized the need to equalize the remuneration of the Peruvian judges with what their counterparts in other countries earn. A Peruvian judge, for example, receives a monthly salary of $800, while

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a judge in Costa Rica earns approximately $1,300 a month.

He said the efforts of the reorganizers are directed toward the qualification and professionalization of the judicial personnel, toward the introduction of technology in accordance with the advances in computer science and technology, and toward the creation of a physical infrastructure that is alien to the backlogging of work such as prevails today in many courts of law.

Peru: Differences Within UPP Noted

96SM0254B Lima LA REPUBLICA in Spanish 16 Apr 96

[Unattributed article: "Javier Perez de Cuellar To Resolve UPP Internal Differences Today" — received via Internet]

[FBIS Translated Text] Ambassador Javier Perez de Cuellar, head of the Union for Peru [UPP], will meet today with the principal representatives of his group to act as an arbiter between different positions—differences that he said yesterday will be resolved, even if it entails the departure of those who are not in agreement with the centrist policy that the party should retain.

Perez de Cuellar made it clear that if anyone has irreconcilable differences with his proposals, the door is open for them to leave. He declared that he is a man of the center, adding that those who do not agree with his position will naturally sever their relationship with the UPP.

This group is called the Union for Peru, which means, he said, that we advocate the union of things that are different. People obviously come from different sectors, and therefore differences do exist.

He explained that the centrism he advocates is the centrism that was formerly espoused by the liberals—those who used to believe in establishing a social government of laws.

The meeting of the UPP leadership will continue throughout the week. It will also ratify the formation of the party's national committee, which will consist of 50 members.

Perez de Cuellar yesterday demanded the immediate appointment of the members of the Constitutional Court [TC], pointing out that this will represent an important step toward guaranteeing a state of laws in Peru.

He asked Congress to appoint genuine jurists to the TC—honest and qualified persons who are removed from politics—so that they can act independently in dealing with the complaints that are brought against the executive and legislative branches.

I am calling, he said, for the election of a constitutional court that is truly exemplary.

Returning to the subject of the UPP's internal differences, he said—with his characteristic caution—that he hopes the UPP will continue to have members who are both on the right and on the left of the political spectrum.

One of the points that could generate controversy within the organization is the position that will ultimately be adopted with respect to the privatization of Petroperu [State Petroleum Agency].

Concerning this matter, however, it so happens that when he returned to Peru last week, Perez de Cuellar reaffirmed his position to the effect that the state should continue its control of the state petroleum enterprise.

In a statement published months earlier, the UPP declared that it favors the participation of private capital—both foreign and domestic—but without the state relinquishing the overall management of Petroperu, in order to preserve the subordination of that enterprise to the requirements of national defense and national development.

Perez de Cuellar expressed regret yesterday that when he organized the group, he did not have sufficient time to give it a nationwide structure.

The objective of the conclave that opens today is to establish the organic and political structure of the movement throughout the nation.

To date, only the national executive committee has been formed. Its coordinator is Congressman Alfonso Grados Bertorini, who is currently recovering from a health problem.

Members of Congress such as Daniel Estrada believe that the UPP's strengthened organic structure will meet the expectations of supporters who desire to play a more active role in party work and in the nation's political life.

Peru: Editorial Urges Adoption of Anti-Torture Law

96SM0254C Lima LA REPUBLICA in Spanish 17 Apr 96

[Unattributed article: "Against Torture" — received via Internet]

[FBIS Translated Text] Congressman Antero Flores Araoz has introduced a bill that deserves to be passed by Congress as quickly as possible. The bill seeks to eradicate torture from our country—an inhuman and degrading practice that is unfortunately a common

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occurrence, as is demonstrated by the recent case of the engineer Palomino, who died as the result of a beating at the Brena police station.

According to the bill's author, any police personnel, prison guards, or members of the judicial branch who torture and cause the death of citizens who are prisoners within their respective jurisdictions will be punished with a prison term of no less than 20 years, and no less than four years in cases involving serious injury to persons in their custody or for whom they are responsible.

The bill comes at just the right time, not only because of the universal condemnation occasioned by the Palomino case, which is currently under investigation, but because the UN Human Rights Commission has just included Peru—together with Colombia, Guatemala, and Brazil—on the list of Latin American countries in which torture is practiced with the greatest frequency.

This is occurring despite the fact that our country years ago became one of the signatories of the UN International Convention Against Torture, which that organization approved in 1984 and is currently in force. The problem is that our legislators have not adapted Peruvian law to the provisions of the international legislation by defining the crime of torture and incorporating it into our Criminal Code, which at present provides only for the crime of personal injury.

This adaptation is urgently necessary. It has not been very long since Amnesty International [AI]—alarmed at the spread of the practice of torture throughout the world—declared that "the torturer—and before him, the pirate and the slave trader—has become the enemy of humanity."

Although the practice of torture at military facilities has decreased in our country in the same measure as terrorism has desisted in its offensive and retreated everywhere in the national territory, the increasingly frequent cases of citizens subjected to torture at police headquarters and precinct stations justify filling this gap in the legislation.

Torture is an act of savagery that uses violent procedures to extract confessions, or uses them as a deterrent to frighten suspects into confessing or repudiating their own convictions. The worst aspect of these cases is the fact that the absolutely traumatic effect of this aberrant practice is rarely reported, above all becase of the fear felt by the victims, who also must pay with their silence.

The fact that terrorism employs such procedures in a fanatical attempt to impose its will through violence cannot surprise anyone, but when these procedures are employed by those whom society has charged with its own defense, they are deserving of the most vigorous condemnation. This is because the state is the guarantor of civilian society, and one of its obligations is the protection of the right to life and the security of the individual person. Democracy cannot employ torture without debasing and degrading itself.

The fact that this practice is tending to become general should not serve as an excuse. In a recent report, AI listed approximately 90 countries in which torture is practiced "with the deliberate support or implicit consent of their respective governments." The fact that Peru is on such a list—even if it is censured only for "allowing torture to take place"—should deserve the most vigorous repudiation by our citizens and the appropriate corrective measures.

In this connection, our country's legislators should be aware that torture has been called a **crime against humanity**, which means that there is international jurisdiction over this crime for purposes of its repression. In other words, any country can judge torturers and convict them or obtain their confessions, even though the acts imputed to the torturer may not have been committed on its territory.

In fact, there have already been cases of torturers who were accused and sentenced in countries where they had taken refuge. This is the measure of the seriousness with which this crime is viewed in civilized nations, and it explains why this category of crime figures so prominently in the activities of the organizations that defend human rights.

It is a proven fact that every practice of torture that has come under heavy pressure from a vigilant public who are prepared to defend human rights has quickly yielded and been corrected, as was the case in Northern Ireland and Paraguay, where prisoners had frequently been treated in a humiliating fashion.

Although this can in no way serve as an excuse, the problem in our country should be viewed as a consequence of the civil war experienced during the past 15 years. This is because not only in the Peruvian case but in several other countries, it has been proved that **torture continues** even after the subversion has ended.

And torture must be eradicated, because it is becoming a practice that corrupts the foundations of democracy. Every time a proven case of torture is met with excuses or silence, democracy itself is debased. "No torturer can be excused, and no victim is less worthy of compassion than another," Sartre concludes, in one of his statements before the Russell Court.

The bill that has been introduced in Congress should be passed, because it contributes to the restoration of

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democracy in a country that has had its fill of violence—and of torturers.

Peru: Prosecutors' 'Fear' of Reform Noted

96SM0255A Lima LA REPUBLICA in Spanish 17 Apr 96

[Received via Internet]

[FBIS Translated Text] Yesterday, the president of the Supreme Court of Lima, Marcos Ibazeta Marino, claimed that the prosecutors appear reluctant and fearful of supporting the reforms of the judicial branch.

He indicated that the prosecutors apparently are afraid of dealing with the changes, and of giving up a judicial system that has not brought the anticipated results.

Nevertheless, Doctor Ibazeta expressed confidence that he would succeed in convincing the Public Prosecutor's Office to back the reform of the country's judicial branch and prison system because, he declared, the prosecutors' collaboration is indispensable and necessary.

Ibazeta made these statements after meeting with the prosecutor general, Blanca Nelida Colan, to resolve differences and hear the Public Prosecutor's Office's comments on the reforms promoted by his office for the administration of justice.

Doctor Ibazeta declared that the meeting had been lengthy and very cordial, making it possible to restore the cooperation between the judicial branch and the Public Prosecutor's Office.

The prosecutors have expressed reservations concerning the implementation of the single panel of parties for courts of criminal proceedings as proposed by Doctor Ibazeta.

In the new system, all charges entered during a 24-hour judicial session would be submitted to a single panel of parties, responsible for distributing the case records to the 47 courts of the Lima judicial district.

According to the prosecutors, this new system will impede their work, because they would have to follow their charges in different courts. This would entail a series of difficulties, such as the inability to schedule a hearing at the same time.

With the current system, each provincial or superior prosecutor works with a judge of the first instance or a court, so that he can coordinate at all times, and never have two hearings involving different processes presented to him at the same time.

The president of the Supreme Court of Lima announced that a meeting would be held today, in cooperation with the representatives of all the institutions participating in the judicial process. Its purpose is to learn the opinion of each one of them concerning the judicial system.

The meeting will be attended by the president of the INPE [National Prisons Institute], General (ret) Juan Nakandakari Kanashiro; the chief of the National Police Directorate in Support of Justice, PNP [Peruvian National Police] Colonel Fernando Sotelo, with Commanders Federico Leyva and Israel Loayza; the public prosecutor from the Interior Ministry, Juan Tamayo Torres; and the director of criminal affairs, Felix Burga.

Also in attendance will be the judges of criminal proceedings, Jose Luis Huirse, Maria Jimena Cayo, Maria Cecilia Suarez, and Saul Pena Farfan.

Doctor Ibazeta noted that the prosecutor general had not told him precisely whether he would participate in the meeting or send a representative. However, he claimed to be confident that the prosecutors would participate and support the judicial reform.

Peru: 230,000 Displaced Persons Returned

96SM0255B Lima ANDINA in Spanish 10 Apr 96

[Received via Internet]

[FBIS Translated Text] Lima, 10 Apr—Over 230,000 persons displaced by terrorism have returned to their towns of origin, and are receiving assistance and advice for engaging in work related to complete development. This claim was made today by the chief of the Repopulation Support Project [PAR] of the Ministry of the Presidency, Guillermo Wong.

He added that, from the start of the pacification process in 1992 until the present, approximately 230,000 persons have returned. Some 110,000 of them have done so in an organized manner, with support from various state agencies.

He noted that in 1995 the PAR, for its part, began this support for their return, which is associated with a work program for complete development of the population.

He stressed that for this purpose an effort is being made with the various ministries, including those of agriculture, health, education, and transportation, to make the support complete, thus helping the population to emerge from its extreme poverty.

A constant, full-time effort is being made — including an evaluation process — to determine the priority necessities of the populations returning to their places of origin. Wong explained this after having witnessed the sendoff for 60 villagers from Ucho, in Ayacucho, who are returning to their land after having spent 13 years in Lima.

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Ucho, located in the Huamanquiquia district of Victor Fajardo Province, in Ayacucho Department, is a town that has experienced horror from the terrorist madness. Now, after more than 13 years, it will receive its people who were forced to leave that land.

The official explained that the 60 persons who were refugees in the Alta Paloma de Campoy Human Settlement in Lima, and who are now returning to Ucho, will have to begin a new phase of their lives. They lack the essential services, such as drinking water, and they are located at a site requiring a three-hour trek by land to reach.

Wong added that it is for this reason that they will receive full support from the government, and the problems of communication, drinking water, and others will be solved for them.

He emphasized that the PAR will execute basic sanitation projects in this community, commenting: "We shall continue working with them until they achieve a sustainable development."

He indicated that the PAR has its own budget in the public treasury and, moreover, is working in cooperation with other ministries and with international agencies.

This year, the PAR budget totals 45 million soles from the public treasury. It also has an agreement with the German Government for receiving 15 million marks, to be used for roadway improvement and basic sanitation in Ayacucho Department.

Wong added that, this year, the Swiss Government will grant $2 million, to be allocated for housing improvement in Ayacucho, Huancavelica, and Apurimac Departments.

Peru: Justice Minister on Work Force Reforms

96SM0255C Lima ANDINA in Spanish 10 Apr 96

[Received via Internet]

[FBIS Translated Text] Lima, 10 Apr—Justice Minister Carlos Hermoza Moya expressed his gratification at the government's decision to promulgate, today, the law amending the employment system for workers in the judicial branch, and stipulating its conversion from the public to the private system.

He claimed that the amendment constitutes a measure for modernizing the state, which is currently sustaining a very heavy burden with the pension system.

He remarked: "With this measure, not only will the state be modernized, but the service will be optimized: because an effort will be made to give the public servant technological skills, enabling him to render an authentic service to the justice system as an aide or an administrative employee."

He claimed that judicial workers would benefit financially from the law, because they will receive better employment benefits.

The minister declared that the measure does not jeopardize nor seek to undermine the job stability of the public servants in his sector. He stressed: "The law totally and absolutely upholds stability."

On the other hand, he discredited recent speculation regarding the imminent promulgation of a legal provision that would call for a reduction in the vacation period for the public sector, from one month to one week or 10 days.

He emphasized: "This is untrue; it is the kind of rumor that circulates in Lima so often. I can assure you that the vacation period will always be 30 days, in all instances."

The head of the Justice Ministry made these statements after attending the ceremony at which President Alberto Fujimori turned over 10 vehicles to be placed in the service of the National Prisons Institute [INPE] for judicial hearings, and for the transfer of convicts from prisons to trial courts, as well as for the free transport of inmates' family members to the jails.

In this connection, he indicated that his ministry is negotiating with public and private agencies to enable the released inmate to be accepted at work centers, and to benefit from an honorable job that will permit him to support his family, and not to resume the path of crime.

After noting that this goal will be attained thanks to support from all Peruvian institutions, Hermoza said that, within the next few days, the Ministry of Justice will sign an agreement with the District Council of San Juan de Lurigancho, enabling that community to give work to those subject to penalties restricting their rights.

He commented: "There are cases wherein judges do not give sentences depriving those convicted of their freedom, but rather restricting their rights, such as obliging them to work on public projects without pay. Unfortunately, that is not being implemented, but now it will be achieved through the agreement with the aforementioned municipality. And soon we shall succeed in prompting other public institutions to accept our system."

Elsewhere in his remarks, the minister reported a considerable improvement in the speed of administering justice, as a result of the Ad Hoc Courts put into operation in various prisons to try gangs of drug traffickers, kidnappers, and assailants.

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Finally, he indicated that his sector is engaged in an intensive effort (with the judicial branch and the public prosecutor's office) to achieve a reduction in the prison population, by dealing with the very high percentages of inmates who have not been tried.

Peru: Second 'Temporary' Supreme Court Established

96SM0255D Lima LA REPUBLICA in Spanish 13 Apr 96

[Received via Internet]

[FBIS Translated Text] The judicial branch [PJ] Executive Commission established a temporary criminal chamber in the Supreme Court to relieve that court's Criminal Chamber of the heavy burden of proceedings that it bears, and to accelerate those being aired on that judicial level.

This criminal chamber will operate for two months, starting on 15 April.

Administrative Resolution 060-CME-PJ, published yesterday in the official journal, EL PERUANO, does not specify which cases it will be required to resolve.

By a majority decision of the Executive Commission — composed of supreme court members Victor Raul Castillo Castillo, Pedro Iberico Mas, and Lino Roncalla Valdivia, and Frigate Captain Jose Dellepiane Massa — Magistrate Luis Serpa Segura, ex-president of the Supreme Court, will preside over the chamber.

Doctor Victor Raul Castillo proposed that the Supreme Court member, Javier Roman Santisteban, a member of the Supreme Court's Civil Chamber, should preside over the chamber, but his proposal was rejected.

The temporary criminal chamber will consist of superior court members Manuel Becerra Barrantes, Carlos Saponara Milligan, Gloria Bernal Matallana, and Julio Cesar Fernandez Urday — all of whom have been promoted for their outstanding work in the Lima Superior Court.

The members of the chamber will be required to submit to the PJ Executive Commission a monthly statistical report on the jurisdictional production of the chamber and of each of its members.

The Code of Criminal Procedure currently in effect permits, through an appeal for annulment or a complaint, nearly all the lawsuits heard in the country to be reviewed by the Supreme Court. This applies particularly to those in which the state is a party and is appealing a verdict issued by any of the superior courts.

Thus, processes involving terrorism, drug trafficking, assassinations, kidnappings, attacks, sexual violations, corruption of public servants, or misappropriation of public funds, among others, are heard, in the final, definitive instance, by the Supreme Court — multiplying the workload of the five supreme court members.

Added to that work are requests for extradition, such as that sought against ex-President Alan Garcia Perez, and special proceedings, such as those instituted against ex-Minister Romulo Leon Alegria and, soon, against the also ex-Minister Remigio Morales Bermudez, both of which are to be held entirely in the Supreme Court.

Venezuela

Venezuela: Finance Minister Signs IMF Agreement in U.S.

PA2204170696 Caracas Venezolana de Television Network in Spanish 1530 GMT 22 Apr 96

[FBIS Translated Text] As we reported this morning, Finance Minister Luis Raul Matos Azocar signed in Washington an agreement with the IMF for a 12-month $1.4 billion loan. IMF Director Michel Camdessus said that the main points of the Venezuelan Agenda were basically approved. He stressed that the loan to Venezuela is part of an assistance program of over $3 billion by multilateral loan organisms. The top IMF representative added that small technical details remain undefined, but this will not take long to remedy.

Camdessus made the announcement during a news conference accompanied by Matos Azocar, World Bank President James Wolfensohn, and Enrique Iglesias, president of the Inter-American Development Bank [IDB]. The latter noted that the IDB will provide $1 billion in financial assistance. Wolfensohn added that the World Bank will contribute $900 million to help the social programs. We will provide further information in our afternoon news breaks.

Venezuela: Measures Taken To Prevent 'Mad Cow' Disease

PA2304020096 Caracas Televen Canal 10 in Spanish 1600 GMT 19 Apr 96

[Monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1600 GMT 19 April]

[FBIS Translated Text] Mad cows will not arrive in Venezuela. The Ministry of Agriculture and Livestock has taken measures to prevent the entry of beef infected with mad cow disease in all ports of the country. Jorge Osorio, director of the Autonomous Service of Farming Sanitation, under the Ministry of Agriculture and

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Livestock, made this statement during the discussions of the 20th regular meeting of the South American Commission Against Foot-and-Mouth Disease. This meeting was reportedly held in Caracas:

[Begin Osorio recording] A quarantine has been ordered to redouble sanitary measures, banning the importation of animals, beef products, and byproducts from countries at risk of spreading this disease.

Mad cow disease in England will result in the loss of 5,000 head of cattle, which must be slaughtered. [end recording]

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